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# Calendar No. 319

94TH CONGRESS }  
1st Session }

SENATE

}

REPORT  
No. 94-326

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES APPROPRIATION BILL, 1976

JULY 24 (legislative day, JULY 21), 1975.—Ordered to be printed

Mr. PROXMIRE, from the Committee on Appropriations,  
submitted the following

### REPORT

[To accompany H.R. 8070]

The Committee on Appropriations, to which was referred the bill (H.R. 8070) making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, reports the same to the Senate with various amendments and presents herewith an explanation of the contents of the bill.

#### AMOUNT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY

	<i>Fiscal year 1976</i>	<i>Transition period</i>
Amount of bill as passed by House -----	\$25, 248, 324, 000	\$5, 434, 617, 000
Amended estimates not considered by House -----	6, 413, 500, 000	266, 000,000
	<hr/>	<hr/>
Amount of change by Senate ----	31, 661, 824, 000 + 116, 290, 000	5, 700, 617, 000 - 53, 169, 000
	<hr/>	<hr/>
Amount of bill as reported to Senate -----	31, 778, 114, 000	5, 647, 448, 000
Amount of appropriations to date, 1975 -----	26, 498, 814, 000	-----
Amount of budget estimates, 1976 and transition period -----	32, 441, 870, 000	5, 672, 703, 000
Under the estimates for 1976 and transition period -----	- 663, 756, 000	- 25, 255, 000
Over the appropriations for 1975 -----	+ 5, 279, 300, 000	-----

SUMMARY OF THE BILL

Department or agency	Budget estimates, Appropriations, 1975		1976 and transition period		House bill		Committee recommendations		Appropriations, 1975		Budget estimates, 1976 and transition period		House bill	
American Battle Monuments Commission		\$4,779,000	\$5,012,000	\$5,012,000	\$5,012,000	\$5,012,000	\$5,012,000	\$5,012,000	+223,000					
Transition period			1,457,000	1,457,000	1,457,000	1,457,000	1,457,000	1,457,000						
Cemeterial Expenses, Army		258,000	5,615,000	5,615,000	5,615,000	5,615,000	5,615,000	5,615,000	+5,357,000					
Transition period			1,948,000	1,948,000	1,948,000	1,948,000	1,948,000	1,948,000						
Consumer Information Center		996,000	1,954,000	1,954,000	1,954,000	1,954,000	1,954,000	1,954,000	+58,000					
Transition period			36,594,000	36,594,000	36,594,000	36,594,000	36,594,000	36,594,000						
Consumer Product Safety Commission		36,954,000	9,148,000	9,148,000	10,637,000	10,637,000	10,713,000	10,713,000	+3,895,000					
Transition period			2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	+236,000					
Council on Environmental Quality		2,500,000	9,316,491,000	9,316,491,000	3,601,523,000	3,601,523,000	8,680,858,000	8,680,858,000	+3,432,475,000					
Department of Housing and Urban Development		5,248,485,000	155,371,000	155,371,000	152,723,000	152,723,000	151,838,000	151,838,000	-50,000,000					
Transition period			37,500,000	37,500,000	37,500,000	37,500,000	37,500,000	37,500,000						
Disaster Relief		200,000,000	172,800,000	172,800,000	768,320,000	768,320,000	766,520,000	766,520,000	+66,525,000					
Transition period			689,995,000	689,995,000	188,316,000	188,316,000	188,056,000	188,056,000						
Environmental Protection Agency		689,995,000	(32,385,000)	(32,385,000)	(32,385,000)	(32,385,000)	(32,385,000)	(32,385,000)	(-2,685,000)					
Transition period			3,339,000,000	3,339,000,000	3,466,622,000	3,466,622,000	3,543,028,000	3,543,028,000	+311,877,000					
Federal Home Loan Bank Board		3,231,145,000	755,400,000	755,400,000	711,100,000	711,100,000	717,430,000	717,430,000	-6,800,000					
Transition period			716,420,000	716,420,000	167,634,000	167,634,000	167,634,000	167,634,000	+680,000					
National Aeronautics and Space Administration		3,231,145,000	1,488,000	1,488,000	1,488,000	1,488,000	1,488,000	1,488,000	+23,000					
Transition period			6,800,000	6,800,000	40,000,000	40,000,000	38,000,000	38,000,000	-12,000,000					
National Commission on Water Quality		6,800,000	47,887,000	47,887,000	8,320,000	8,320,000	8,320,000	8,320,000						
National Science Foundation		716,420,000	17,837,764,000	17,837,764,000	16,431,764,000	16,431,764,000	17,830,760,000	17,830,760,000	+1,526,743,000					
Transition period			1,465,000	1,465,000	3,880,050,000	3,880,050,000	4,146,050,000	4,146,050,000						
Office of Consumer Affairs		1,465,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000						
Transition period			16,304,017,000	16,304,017,000	16,304,017,000	16,304,017,000	16,304,017,000	16,304,017,000						
Selective Service System		45,000,000	32,441,870,000	32,441,870,000	25,248,324,000	25,248,324,000	31,778,114,000	31,778,114,000	+5,279,300,000					
Transition period			26,498,814,000	26,498,814,000	5,634,617,000	5,634,617,000	5,647,448,000	5,647,448,000						
Veterans Administration		16,304,017,000	4,147,019,000	4,147,019,000	3,880,050,000	3,880,050,000	4,146,050,000	4,146,050,000						
Transition period			26,498,814,000	26,498,814,000	25,248,324,000	25,248,324,000	31,778,114,000	31,778,114,000	+5,279,300,000					
Total 1976		26,498,814,000	32,441,870,000	32,441,870,000	25,248,324,000	25,248,324,000	31,778,114,000	31,778,114,000	+5,279,300,000					
Transition period			5,672,703,000	5,672,703,000	5,634,617,000	5,634,617,000	5,647,448,000	5,647,448,000						

Bill compared with (+) increase, (-) decrease

GENERAL STATEMENT

The Committee recommends \$31,778,114,000 in new budget (obligational) authority for the Department of Housing and Urban Development, the Environmental Protection Agency, the National Aeronautics and Space Administration, the National Science Foundation, the Veterans Administration, and nine other agencies. This amount is \$663,756,000 below the budget estimates before the Committee and \$6,529,790,000 over the funding provided in the House bill.

The bill also includes \$5,647,448,000 for the transition period from July 1, 1976 to September 30, 1976. This interim funding is required to bridge the gap between the current fiscal year and the new October through September fiscal year mandated by the Congressional Budget Act of 1974. This recommendation is \$25,255,000 below the budget estimates and \$212,831,000 over the House-approved figure.

A summary table on page two spells out the amounts recommended in the bill and compares these figures with appropriations for fiscal 1975, the budget estimates for fiscal 1976 and the House-approved amount. The table includes transition period funding.

In Title I of the bill, which provides support for the programs of the Department of Housing and Urban Development, the Committee recommends an appropriation of \$8,680,958,000. This figure is \$5,079,335,000 above the House and \$635,543,000 below the budget estimate. The major reason for the substantial difference between House and Committee figures is a \$5,000,000,000 budget amendment for mortgage purchase assistance that was not considered by the House. The reason for the decrease in the budget estimate is the transfer of \$964,000,000 in unused college housing authority into the Community Development Block grant program.

The Committee has made a significant change in the manner of accounting for annual contract authority as provided in Title I. The Office of Management and Budget as well as the House have assumed that this authority should be multiplied by forty because it could be exercised over a maximum of forty years. For reasons set forth in detail in the explanation of annual contributions for assisted housing the Committee feels that this assumption overstates the true impact of providing the authority. Consequently the Committee has shown \$662,300,000 in annual contract authority for assisted housing and \$20,000,000 in annual rent supplement authority as new budget (obligational) authority of \$682,300,000 while the House report tables indicate that these programs account for \$26,863,000,000 in new budget (obligational) authority. As a result the totals shown in this report are \$26,180,700,000 less than the totals in the House report simply because of this change in accounting procedures. This reduction is not a true budget cut. The figures in the budget request tables and the figures used in the House report have been adjusted downward accordingly when used in this report.

For the Environmental Protection Agency the Committee has provided \$766,520,000. This represents a decrease of \$2,000,000 in the House-passed figure and is \$23,720,000 above the budget estimate.

The Consumer Product Safety Commission has the power under Section 27(k) of the Consumer Product Safety Act to request funds directly from the Congress without going through the Office of Man-

agement and Budget. The Commission requested \$50,386,000 in fiscal 1976, an increase of \$13,432,000 over their fiscal 1975 appropriation. On the other hand the request forwarded to the Congress by the Office of Management and Budget would have cut the Commission's funding by \$359,000 in fiscal 1976.

The Committee has taken the middle course of allowing a substantial increase in funding for the Commission above the Administration's budget request but not providing the one-third increase requested by the Commission. The Committee has provided \$40,849,000 for the activities of the Commission which is \$1,941,000 below the House-approved amount and \$4,254,000 above the Administration's budget request.

The Committee has included \$3,543,022,000 for the programs of the National Aeronautics and Space Administration for fiscal 1976. This amount is \$56,400,000 above the House and \$4,022,000 above the budget estimate. This appropriation does not provide for any new starts but does permit an increase of approximately \$400,000,000 in funding for the space shuttle in fiscal 1976.

The Committee has provided \$717,100,000 in the bill for the operations of the National Science Foundation. This appropriation is \$6,000,000 above the House and \$38,300,000 below the budget estimate.

The Committee continues to be disturbed by the failure of the Selective Service System to reduce expenditures despite projected reductions in its staff and the scope of its operations. Consequently the Committee has reduced funding for the System to \$33,000,000, which is \$14,887,000 below the budget estimate and \$7,000,000 below the amount provided by the House.

The funding of the activities of the Veterans Administration makes up two-thirds of the new obligational authority included in this bill. The vast bulk of this sum is for the payment of compensation, pensions and readjustment benefits required by law and thus represents funding to which our veterans are entitled.

The Committee has included \$17,830,760,000 in the bill for the programs of the Veterans Administration. This amount is \$1,398,996,000 above the figure approved by the House and \$7,004,000 below the budget request. The Committee considered and approved a \$1,413,500,000 budget amendment for the VA that was submitted after the House had acted

#### STATUS OF AUTHORIZATIONS

The Committee notes that authorizations for a number of the agencies funded in this bill have not yet cleared the Congress. In some cases only part of an agency's program has been authorized. For example, only \$155 million of the \$742.8 million requested by the Environmental Protection Agency has been authorized. The Veterans Administration conducts a \$3.5 million exchange of medical information program that has not been reauthorized, although legislation has been passed by the House.

Two other agencies have yet to receive final authorization for their fiscal 1976 budget requests. The authorization for the National Science Foundation is currently in conference. The authorization for the Consumer Product Safety Commission was recently passed by the Senate.

#### EFFECTS OF COMMITTEE ACTION ON BUDGET EXPENDITURES

The budget outlays (expenditures) for the Department of Housing and Urban Development and other agencies that would result in fiscal 1976 from the funding requested by the Administration in this bill would amount to \$20,053,393,000. The Committee's recommendations should increase this amount by approximately \$89,000,000 for a total of \$20,142,393,000.

#### PERMANENT OBLIGATIONAL AUTHORITY

A great deal of funding for the Department of Housing and Urban Development and a number of agencies covered by this bill is provided through permanent new budget (obligational) authority that is not controllable through the appropriations process. Specific information bearing on these items is included in the tables on page 87 and 88 of this report. It has been estimated that a total of \$839,748,000 in Federal funds plus an additional \$917,951,000 in trust funds will be made available in fiscal 1976. The estimate of total permanent obligational authority has dropped by almost \$3.5 billion over the past year.

#### GENERAL PROVISIONS

The Committee agrees with the House that General Provisions applicable to the Department and agencies in fiscal 1975 and reiterated in Title IV should be controlling once again this year. The Committee also agrees that there is no further need for language allowing the National Aeronautics and Space Administration to transfer funds between the research and development appropriation and the research and program management appropriation.

Although the Committee generally agrees with the House decision to place a ten percent limitation on increases in travel expenditures above the originally budgeted amount as set forth in Section 401, an exception has been added to permit FHA appraisers and inspectors to exceed the limit. This will permit the Department of Housing and Urban Development to respond to any substantial unexpected increase in housing market activities.

The Committee concurs with the House in placing a limitation in Section 405 on space rental charges made by the General Services Administration of ninety percent of the standard charge. Although several agencies have indicated that the amounts provided in the House-passed bill for space rental are below this ninety percent standard, the Committee has not been convinced that this is the case. Consequently the Committee has concurred with House recommendations in making these reductions.

The Committee has deleted language prohibiting the use of funds for the regulation of parking, which is meant to apply principally to the Environmental Protection Agency, in the face of strong evidence that the provision might have an unnecessarily adverse effect on the activities of other agencies included in the bill. The Committee understands EPA does not intend to press its more controversial proposals in this area in the absence of clarification by the authorizing committees of the Congress.

The Committee has deleted Section 408 which would prohibit any use of funds provided by the bill to carry on noise control research, development, abatement and enforcement. This provision was intended to prevent the Department of Housing and Urban Development from applying unrealistic noise control standards as a precondition to providing FHA financing. The provision would have prevented the Environmental Protection Agency from carrying on vital work. Furthermore, HUD indicated that the language would not affect mortgage insurance or assisted housing operations.

However, the Committee places HUD on notice that it expects the Department to cease applying noise standards that have little or no basis in fact. The Committee is particularly concerned that FHA insurance not be refused on the basis of incomplete noise impact information.

The Committee has added a provision to the bill as passed by the House which would prohibit the expenditure of unvouchered funds. The bill provides for a \$35,000 fund within the National Aeronautics and Space Administration "to be expended upon the approval of the Administrator and his determination shall be final and approval." The prohibition approved by the Committee as Section 408 would require that these funds as well as all other appropriations provided in the bill be subjected to the same voucher and auditing requirements that apply to the overwhelming majority of Federal expenditures.

#### LIMITATION ON VEHICLE USE

Once again the Committee is distressed by the disregard for the provisions of 31 USC 638(a) by many heads of agencies funded by this bill. Public disdain for the capriciousness of many of our elected and appointed officials has never been higher, and the Committee feels that the abuse of limitations on government vehicle usage by certain agency officials must come to a stop.

Notwithstanding the many clever, innovative interpretations of this law by agency counsels, the Committee feels that the intent of the limitation is crystal clear and inarguable. Title 31 USC 638(a) states unequivocally that the use of government vehicles for other than official purposes is prohibited and that the phrase "official purposes" is *not* to include the transportation of government officers and employees between their domiciles and their places of employment. The exceptions to this limitation are equally clear. The President and his Cabinet, medical doctors on out-patient duty, ambassadors, and those employees engaged in "field work" who live *far* from their headquarters are the *only* ones who can use government vehicles to transport themselves to and from work. The only agency chief covered by this exemption in this appropriation bill is the Secretary of the Department of House and Urban Development.

Although a number of the top officials of agencies under the appropriation blanket of this Committee have abandoned their chauffeured limousines for carpools and public transportation, four individuals still continue to disobey the law.

One agency chief stated bluntly in a recent hearing, "I do not feel defensive about using the car to go to and from my home, although it is illegal." This same individual went on to say that having the use of

a government vehicle to carry him to work and home at night is a "custom" and a "perquisite of office." He also went so far as to claim that his home was out of the mainstream of public transportation, thus making public transit out of the question. A quick check by the Committee staff showed that this Administrator lived within a few blocks of the most heavily traveled bus route in the entire city of Washington, and only about 4 miles from his office.

Another distinguished Administrator continues to disregard the law, claiming that being driven to and from his home in nearby McLean, Virginia, is justified because he is on "field work."

A third Administrator justified his being driven to and from home on the grounds that he was driven only 50 percent of the time and that he was not abusing the law as much as did his predecessor.

Finally, the Chairman of one of our Federal Corporations is driven to and from work by a chauffeur who made nearly \$19,000 in salary and overtime last year.

What we have here is the old case of the "everyone-else-does-it-so-why-shouldn't-I" syndrome that has led to a deepening of the credibility gap between the taxpayer, who foots the bill, and government officials, who are supposed to be representing the interests of the public. This wasteful expenditure of tax dollars on gasoline, vehicles, and chauffeurs who make up to \$19,000 per year, is not in the best interest of the American people. The Committee hopes to put an end to these violations of the law by adding a provision to the bill which in effect restates the existing law and restricts the use of government vehicles.

TITLE I  
DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT

The Committee continues to be distressed by the performance of the Department in providing housing for low and moderate income families as well as in other areas. The Department presented testimony in April indicating that subsidized housing starts in fiscal 1976 would be in the range of 170,000 to 220,000 units. This is a far cry from the 600,000 units a year envisaged in the 1968 housing goals legislation. It is particularly disturbing in view of the ten months that will have elapsed between the passage of the Housing and Community Development Act of 1974 and the beginning of fiscal 1976—ten months that were to have produced 200,000 unit reservations under the new Section 8 housing program and which, instead, have resulted in about 92,000 units being reserved.

This lack of performance comes at a time when the nation's economy has reached its lowest point since the great depression. The construction industry has been particularly hard hit. New housing starts could provide a great many jobs within the construction industry. For every new single family housing unit we build we produce almost two jobs.

The Department continues to refuse to spend \$264,000,000 that is currently available for the Section 235 homeownership program. The release of these funds would provide 200,000 housing units, mostly new, for low and middle income families and also provide a substantial shot in the arm for the depressed construction industry.

To put it in a nutshell, the Administration refuses to continue the tried and true housing programs and has been unable to properly start the new Section 8 housing assistance payments program. The result is less housing, more unemployment and an accentuation of the economic stagnation that has beset our country.

There are other indications that the Department has fallen down on the job. For example, last December the General Accounting Office reported that the Federal Housing Administration's insurance operations were going from bad to worse. Accounts receivable-premiums ballooned from \$807,000 on June 30, 1972 to about \$11 million on June 30, 1974. During this year's appropriation hearings the Department told the Committee that an improved automated data system to correct this sort of problem was in the works. Contractor support for the detail design, programming, hardware selection, and implementation is now in the planning stages. Hopefully this system will help to solve FHA's problems.

The Committee is also concerned with the possibility that the Community Development Block Grant program will not receive adequate oversight by the Department. The Committee has received indications that low and moderate income families—particularly minority

Examples are the refusal to fully implement the Section 202 program for the elderly, the inability to come up with regulations for the Section 802 State Housing Finance and Development Agency program, the failure to deliver the housing goals report on schedule, the refusal to attempt to meet the housing goals, and the continuing effort to kill the Sections 235 and 236 programs.

### HOUSING PROGRAMS

#### EMERGENCY HOMEOWNERS' RELIEF FUND

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation -----		
Estimate, 1976 -----		
Recommended in House bill -----		
Committee recommendation -----	\$75,000,000	

The Committee has approved \$75,000,000 for the Emergency Homeowners' Relief Fund. These funds are not requested in the budget nor has the House had an opportunity to consider the funding of the program since authorizing legislation had not been enacted prior to House passage of this legislation.

Section 109 of the Emergency Housing Act of 1975 (Public Law 94-50, approved July 2, 1975), authorizes an appropriation of \$500 million for loans to be made by the Secretary of HUD to provide financial relief to homeowners threatened with foreclosure of their mortgages and loss of their homes. If further need is demonstrated later, the full amount can be appropriated at a later date.

Under this program, relief may be provided to a distressed homeowner through either of two procedures. Under one procedure, relief would be provided by HUD insuring the mortgagee against financial loss for advances made to the distressed homeowner to assist him in meeting his mortgage payments. Maximum insurance authority of \$1.5 billion is authorized in the law for this purpose. Under the second procedure, for those cases in which relief cannot be provided through the insurance route, HUD may make advances on behalf of the mortgagor to provide the relief he needs to meet his mortgage obligations. The loans are repayable and thus the loss exposure of the government assistance is limited to those few cases which may ultimately end in foreclosure or in which the mortgagor defaults in meeting his repayment obligations and there is insufficient security to redeem the government's outlay.

#### STATE HOUSING FINANCE AND DEVELOPMENT AGENCIES (LIMITATION FOR ANNUAL CONTRACT AUTHORITY)

	<i>Fiscal year</i>	<i>Transition period</i>
1975 limitation -----		
Estimate, fiscal year 1976 -----		
Recommended in House bill -----		
Committee recommendation -----	\$35,000,000	

<sup>1</sup> This represents the authority to enter into contracts that could run over a period of up to forty years. However, because of uncertainty over the actual use of this authority the Committee has chosen to include only the maximum first year cost of the contracts as new budget (obligational) authority.

The Committee has recommended an appropriation of \$35 million for interest reduction payments. These funds were not requested in the

budget or included in the House-passed bill. Section 802 of the Housing and Community Development Act of 1974 authorizes the Secretary of Housing and Urban Development to guarantee obligations of a State housing finance or State development agency issued to finance development activities in furtherance of revitalization of slum and blighted areas, or in furtherance of the provision of housing for persons of low and moderate income undertaken in connection with such revitalization. The Secretary is also authorized to make grants to cover 33 1/3 percent of the interest on obligations (whether or not guaranteed by HUD) issued by such agencies to finance development activities in furtherance of the purposes of this section. This subsection also provides that no obligation could be guaranteed or assisted unless the income from it is subject to Federal taxation and that assistance under this section not be a condition to nor preclude other Federal assistance.

The 1974 Act authorized appropriations for payment of interest by the Secretary of HUD amounting to \$50 million prior to July 1, 1975, and going up to a limit of \$110 million a year on and after that date. The law limits the maximum obligation for the Federal guarantee of State tax-exempt bonds to \$500 million. However, no appropriation action is required by law to implement the guarantee authority.

In appropriating these funds the Committee intends that the HUD Secretary will prepare the regulations and implement the program as soon as possible, both with respect to the provisions for interest reductions as well as for the Federal guarantee of bonds to be issued by the States for the revitalization of slum areas and to assist in the financing of housing for low and moderate income families in connection with such revitalization.

One of the important considerations with respect to this program is that it will encourage the issuance by State Finance Agencies of taxable bonds rather than tax-exempt bonds which are now being issued by State Agencies. By substituting taxable bonds for tax-exempt bonds, a substantial savings will result to the Federal Government. This is consistent with the policy of the Treasury to reduce the volume of tax-exempt securities because the resulting increases in income tax from taxable bonds will be greater than outlays to be made by the one-third interest reduction payments.

#### ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING (INCREASED LIMITATION FOR ANNUAL CONTRACT AUTHORITY)

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation -----		
Estimate, 1976 -----	\$662,300,000	
Recommended in House bill -----	662,300,000	
Committee recommendation -----	<sup>1</sup> 662,300,000	

<sup>1</sup> This represents the authority to enter into contracts that could run over a period of up to forty years. However, because of uncertainty over the actual use of this authority the Committee has chosen to include only the maximum first year cost of the contracts as new budget (obligational) authority.

The Committee recommends an increase in the limitation on annual contributions for assisted housing of \$662,300,000 which is the same as the budget estimate and the House allowance.

These funds will be used for (1) the Section 8 lower income housing assistance program, through which the Federal government enters

into contracts with local housing agencies, State agencies or private sponsors to make subsidy payments on behalf of low income families for newly constructed, rehabilitated, or already existing housing (\$533,300,000); (2) conventional public housing (\$75,000,000); (3) amendments and bona-fide commitments in conventional programs (\$8,000,000); (4) Indian housing (\$15,000,000); (5) modernization (\$20,000,000); and (6) adjustments for leasing contracts (\$11,000,000).

As indicated in the general statement the Administration has carried the bulk of this authority in the budget request as a commitment to provide the funds on a yearly basis over a maximum of forty years. Although this estimate is supposedly based on the Budget Control Act of 1974 the Committee disagrees with the Administration's decision to show this request as a whopping \$26,063,000,000. It is true that this represents the maximum possible commitment on the part of the Federal government. However, for a number of reasons this maximum cost, in the Committee's estimation, far exceeds what can realistically be anticipated.

First, the Department itself has made a rough estimate, admittedly based on a number of assumptions that may prove to be incorrect, that the run-out costs will be in the neighborhood of \$16,000,000,000—\$10,000,000,000 less than the figure shown in the budget request and the House bill. This downward adjustment is due to the fact that all contracts entered into will not be forty year contracts. Some will be twenty year contracts while others will be for an even lesser period.

Second, the estimate creates the false assumption that the government under the Section 8 housing assistance program will have to pay the total amount of its contract commitment when in fact the government's liability with respect to the \$16,000,000,000 of estimated contracts will undoubtedly be a good deal less. This is because the government must agree to pay the difference between a percentage of a tenant's income and the fair market rent under the program. Thus, the maximum liability would be the difference between zero, on the assumption that the tenant had no income, and the fair market rent. In fact, in most cases the tenant will be contributing a substantial amount toward his rent. Thus, the actual outlays resulting from \$16,000,000,000 in contract commitments would be a good deal less than \$16,000,000,000.

The above explanation illustrates how difficult it is to arrive at any realistic figure for setting forth the new budget (obligational) authority created by this \$662,300,000 in annual contract authority. Consequently, the Committee has chosen to simply show the one year cost of the program in the totals at the front of this report as well as the tables at the back of the report. The Committee has also treated new contract authority for the State Housing Finance and Development Agency program and the Rent Supplement program in the same way.

The Committee wishes to emphasize that in treating contract authority in this fashion it does not intend to limit the Department's authority to enter into contracts extending for a period of up to forty years in this account or under the Rent Supplement and State Housing Finance and Development Agency programs.

The Committee has deleted the language inserted by the House which places a limit of 10 percent on increases in published Fair Mar-

ket rents for any contract entered into under the Section 8 program. No set of numbers is ever perfect and there are already indications that in some areas of the country published Fair Market rents are inadequate. To require correction of each error that is found in the vast list of Fair Market rents through the appropriation process would result in severe inequities to many communities pending the usual lengthy process of appropriation enactment.

The Committee directs, however, that prior to issuing any new Fair Market rents in excess of 10 percent higher than those previously published, the written concurrence of both the House and Senate Appropriations Committee be obtained.

The Committee has placed a limitation in the bill requiring the Department to spend at least 75 percent of the Section 8 authority provided in the bill on new construction or substantial rehabilitation. Although the Department has estimated that three-quarters of the unit reservations made in fiscal 1976 are expected to be dedicated to new construction the Department's track record does not inspire confidence. This limitation is meant to apply to the program as a whole and not on a locality by locality or even region by region basis. However, the Committee would expect any significant imbalances to be fully justified.

#### CONVENTIONAL PUBLIC HOUSING

The Committee has recommended an earmarking of \$75 million for conventional public housing other than Section 8 units to carry out the purposes of Section 5(c) of the Housing Act of 1937, as amended by the Housing and Community Development Act of 1974. It was clearly the intent of Congress in approving the 1974 Act that HUD should proceed with the development of the Section 8 program, but that at least \$150 million of the new authority should be used for contracts for housing to be owned by public housing agencies and that not more than 50 percent of those funds should be for Section 8 assistance. Until now the Administration has not carried out the intent of Congress, and the Committee is taking this action to insure that HUD will use the funds as intended.

Some urban renewal projects have been inordinately delayed through no fault of the local community. In this regard, the Committee notes the case of the Kendall Square Urban Renewal Project in Cambridge, Massachusetts (Project No. Mass. R-107), where the Federal government, through NASA and DOT, has been the redeveloper of more than 2/3 of the land in the project, which development it has not been able to complete. The Secretary of HUD has made a commitment to reserve \$15 million plus such additional grants as may be necessary to pay the interest costs on project loans for this project, and the Committee urges HUD to continue to give the processing of these grants a high priority so that the project may be completed in a sound and orderly manner.

In recognition of the unique housing problems faced by Native Americans, Congress enacted an earmarking of 30 million dollars in low-rent public housing contract authority in the Housing and Community Development Act of 1974. This earmarking of funds was to guarantee progress in overcoming a 50 percent substandard housing rate presently existing on Indian reservations. Every unit of contract authority is desperately needed.

Concern has been voiced in both Houses of Congress that HUD is misinterpreting the intent of Congress to provide new commitments and that the authority legislated as part of PL 93-383 not be used for old commitments. Funds for prior commitments should be gotten from other contract authority. The Committee notes the congressionally voiced concern in numerous letters to HUD and in the amendment to PL 93-383 contained in HR 4485 and recently vetoed by the President. The Presidential veto does not alter the fact that both Houses passed HR 4485 overwhelmingly. The Committee, therefore strongly urges the Department to use the Indian set-aside of contract authority remaining in Section 5 of PL 93-383 only for new housing commitments.

#### RENT SUPPLEMENT PROGRAM

	Fiscal year	Transition period
1975 appropriation		
Estimate, 1976	\$20,000,000	
House allowance	\$20,000,000	
Committee recommendation		

<sup>1</sup> This represents the authority to enter into contracts that could run over a period of up to forty years. However, because of uncertainty over the actual use of this authority the Committee has chosen to include only the maximum first year cost of the contracts as new budget (obligational) authority.

For further rent supplement payments the Committee agrees with the House in recommending \$20,000,000 in annual contract authority over a maximum period of forty years. The comments made with regard to the budget treatment of contract authority in the preceding section apply equally to this figure, which is treated by the Office of Management and Budget as the provision of \$800 million in new budget (obligational) authority.

The FY 1976 Budget did not propose the release of any additional authority, and in fact assumed the carryover of over \$17 million in unused authority from FY 1975. Rent increases due to increased fuel, utilities, taxes and other operating costs, however resulted in this authority being used in FY 1975.

Since the subsidy provided by the Rent Supplement program is tied to the economic rent of the unit, periodic increases in the subsidies approved for existing projects are necessary as operating costs for these projects rise. As the House report indicated the Department planned to take care of this problem by recapturing \$15 million in rent supplement contract authority from Section 236 piggyback projects reserved but not yet under contract. This action will make such a step unnecessary.

The Department informed the Committee that under some circumstances the funds would be used to increase the number of units receiving assistance in existing projects, where possible under the law and where such increases are necessary to assure the economic viability of the project.

#### HOUSING FOR THE ELDERLY OR HANDICAPPED (LIMITATION ON LOAN FUND)

	Fiscal year
1975 limitation	\$215,000,000
Estimate, 1976	215,000,000
House allowance	300,000,000
Committee recommendation	500,000,000

The Committee recommends a limitation on loans made for housing for the elderly or handicapped of \$500,000,000 which is \$200,000,000 above the House approved figure, and \$285,000,000 above the budget estimate.

The section 202 Housing for the Elderly or Handicapped Program as amended by section 210 of the Housing and Community Development Act of 1974 provides a borrowing authorization from the Treasury of \$800 million in addition to the availability of loan repayments and other income accruing to the Housing for the Elderly or Handicapped Fund. The entire \$215 million of borrowing authority made available for Fiscal Year 1975 and in the continuing resolution has been in effect impounded without Congressional authorization as required by the Impoundment Control Act of 1974. This was done in the face of the expressed intent of this Committee that the 202 program was to serve as the primary vehicle for elderly housing. Therefore, this Committee provides a borrowing limit of \$500 million for Fiscal Year 1976 and the transition period, representing \$215 million to replace the impounded funds and \$285 million in new borrowing authority.

The Committee believes that in order for the 202 program to be the primary vehicle for producing housing for the elderly its availability to provide flexible direct-loan permanent financing is essential. The essence of the 202 program, as enacted in 1959, is its long term direct loan feature. Nothing in the 1974 Act or its legislative history suggests any change in the substance of this aspect of the program. Therefore the Committee has included language in this bill to ensure that these funds be utilized primarily to provide flexible and direct long-term lending, in addition to construction financing, at favorable rates.

The Committee has earmarked a minimum of \$400 million to be available only for non-profit sponsors with no financial requirements imposed as a condition of loan approval, thus recognizing that the limited financial resources of non-profit sponsors generally preclude them from participation in other HUD programs and from meeting cash equity or other financial contribution requirements. In the past, non-profit sponsors have operated successfully under section 202 without the imposition of such requirements.

#### HOUSING PAYMENTS (LIQUIDATION OF CONTRACT AUTHORITY)

	Fiscal year	Transition period
1975 appropriation	\$2,300,000,000	
Estimate, 1976	(2,245,000,000)	(\$600,000,000)
House allowance	(2,245,000,000)	(600,000,000)
Committee recommendation	(2,245,000,000)	(600,000,000)

The Committee concurs with the House in recommending the budget estimate of \$2,245,000,000 but wishes to make it clear that this appropriation is not categorized as new budget (obligational) authority as in past years but is considered as liquidation of contract authority already provided by the Congress. This change is in accordance with the new standards set forth in the Budget Reform Act of 1974.

The Committee also directs the Senate's attention to the fact that this year's figure does not include operating subsidies for units owned

by local housing authorities. An additional \$550,000,000 in new budget (obligational) authority has been provided in a separate line item. The fact that \$450 million in operating subsidies was included in fiscal 1975 appropriations for housing payments should be taken into account in comparing the two figures. The increase in housing payments in fiscal 1976 on a comparable basis is thus \$420,000,000.

The appropriation will provide assistance under five subsidized housing programs (including the rent supplement, Section 235 and Section 236 programs) in fiscal 1976 for 2.4 million units eligible for payments as of June 30, 1976. Transition funding of \$600,000,000 would be utilized to make contractual payments on approximately 2.5 million subsidized dwelling units.

#### PAYMENTS FOR OPERATION OF LOW INCOME HOUSING PROJECTS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation .....	\$450,000,000	
Estimate, 1976 .....	525,000,000	\$80,000,000
House allowance .....	525,000,000	80,000,000
Committee recommendation .....	550,000,000	80,000,000

The Committee recommends \$550,000,000 for the payment of operating subsidies for low-income housing projects. This is \$25,000,000 more than the House figure and the budget estimate.

These operating subsidies are required to help Local Housing Authorities (LHA's) maintain adequate operating and maintenance services, provide for minimum operating reserves, and offset certain operating deficits caused by losses in LHA income resulting from mandatory rent limitations.

The Committee was told that the Department is implementing a performance funding system that will be used to calculate the operating subsidy each LHA will receive. The system will base payments on what it costs a high performing LHA to operate its owned units. Each LHA will receive no more operating subsidy than would be required to effectively manage a high performing LHA of comparable size, location and characteristics. This program will be phased in through the use of transitional "hold harmless" funding.

The Department plans to spend \$35 million of the total appropriated for a continuation of the target projects program which has been zeroing in on low rent public housing projects experiencing serious difficulties because of crime, badly substandard operating services and other major problems. The funds will continue to be used to produce improvements in the physical condition and safety of projects assisted and provide for concentrated services utilizing a variety of resources from local, state and Federal governments.

The Committee directs the Department to obligate the full amount provided in the bill for operating subsidies in fiscal 1976 and the transition period. It is the Committee's understanding and intent that the language in this bill specifying that the aggregate amount of contracts entered into pursuant to the appropriation provided in the bill shall not exceed a given amount does not give the Department the right to refuse to release funds for obligation in the absence of a deferral or a rescission message.

The \$25,000,000 in funding added to the Department's budget request should help HUD to meet the demand for increased operating assistance due to the skyrocketing costs of fuel, utilities and service.

#### SALARIES AND EXPENSES, HOUSING PROGRAMS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation .....	<sup>1</sup> \$37,770,000	
Estimate, 1976 .....	<sup>1</sup> 42,500,000	<sup>1</sup> \$11,490,000
House allowance .....	195,116,000	49,800,000
Committee recommendation .....	<sup>2</sup> 36,466,000	<sup>3</sup> 9,950,000

<sup>1</sup> Amounts shown are under new appropriation head. In 1975 and in the 1976 budget, the amounts were included under the following headings: "Salaries and Expenses, Housing Production and Mortgage Credit"; "Salaries and Expenses, Housing Management."

<sup>2</sup> An additional \$158,650,000 has been provided by transfer from the various funds of the Federal Housing Administration.

<sup>3</sup> An additional \$39,850,000 has been provided by transfer from the various funds of the Federal Housing Administration.

The Committee concurs with the House decision to combine Housing Production and Mortgage Credit, and Housing Management salaries and expenses appropriation accounts as well to include FHA funds traditionally provided in Title III of the bill in the new combined account. However the Committee has provided the FHA funding through transfer rather than as a direct appropriation. Thus the limitation on FHA administrative and non-administrative expenses requested by the administration has been replaced by language directing that FHA receipts be transferred to various salary and expense accounts. Language directing FHA to transfer a like amount to the Treasury has been deleted.

As a result of these actions, the Committee has recommended \$36,466,000 for Housing programs, salaries and expenses, which is \$6,034,000 below the budget estimate and \$158,650,000 below the House-passed bill. The latter figure represents dollars transferred from the FHA limitation rather than directly appropriated. The change in transition period funding results from a similar transaction.

It should be noted that a similar transfer approach is utilized for the Office of General Counsel, the Office of the Inspector General, Administration and Staff Services and Regional Management and Services.

Thus the Committee has agreed with the House on the level at which Housing Program activities should be funded, but has provided the money necessary in a different way. The result in both cases is a recognition that FHA funds in reality support activities in a number of areas within the Department, including the Housing Programs area, and a reduction of three percent in the amount requested by the Administration.

The Department has informed the Committee that this action will result in a reduction of up to 309 positions below the combined budget estimate for housing programs. This is an extremely modest cutback in view of the fact that productivity in the Housing Production and Mortgage Credit program fell by more than forty per cent between fiscal 1972 and fiscal 1974. The Department's argument that the decrease in productivity is due to the maintenance of a skilled labor force in anticipation of an increase in the mortgage insurance workload does not justify a continuation of the current situation.

The Committee directs that 18 positions within this account be utilized to operate the Office of Mobile Home Standards, including the implementation of training for State inspectors to enforce federally developed standards.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION  
EMERGENCY MORTGAGE PURCHASE ASSISTANCE

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation -----	\$5,000,000,000	-----
Estimate, 1976 -----	-----	-----
House allowance -----	5,000,000,000	-----
Committee recommendation -----	-----	-----

<sup>1</sup> The \$5,000,000,000 was requested in S. Doc. 94-85.

For the Emergency Mortgage Purchase Assistance program the Committee has provided \$5,000,000,000 the amount of the budget request. No funds were approved by the House for this program since the Administration's budget request was received after the House had acted. The Committee notes that this very substantial amount will result in very little if any net outlays because of the mechanisms described below.

Section 208 of the Emergency Housing Act of 1975 (Public Law 94-50) increases by \$10,000,000,000 the amount of mortgage purchases authorized to be made by the Government National Mortgage Association pursuant to section 313 of the National Housing Act as amended by section 3 of Public Law 93-449, approved October 18, 1974.

The purpose of the 1975 legislation is to provide Federal support for the financing of mortgages at interest rates of 7½ percent to finance the purchase of homes by middle-income buyers. The bill signed into law by the President on July 2, 1975, was the result of a bipartisan Congressional effort, with full cooperation of the Administration, to help support an increase in residential construction and thus provide jobs, reduce unemployment and stimulate the economy. The law authorizes GNMA to make commitments to purchase and to purchase 7½ percent mortgages and to sell or issue securities backed by the mortgages to the Federal Financing Bank which, in turn, is directed to purchase such mortgages or securities. The procedure is set up with allowances for fees and charges to be made by GNMA with the expectation that the entire process will not result in any cost to the taxpayer. Under existing market conditions, the Federal Financing Bank can borrow at an interest rate less than the net rate under terms of the purchase from GNMA and thus the repayment can be made by GNMA to the Treasury without loss.

The Committee expects GNMA to continue to make state-by-state allocations of mortgage purchase authority and not to permit a reduction in the sum allocated to a state once such allocation has been made.

However, the Committee is concerned that the formula developed by the Government National Mortgage Association to allocate its recently released \$2 billion of mortgage purchase authority, which is based on building permits issued in each state in the period from 1972 to 1974, may work a hardship on those states that were especially hard hit by

the recession in the home building industry during that period. There is a real danger that this formula could perpetuate economic imbalances among states and regions and prevent a smoothing out of economic disparities among those states and regions. Therefore, the Committee recommends that in making future allocations of mortgage purchase authority, GNMA attempt to develop a formula which reflects not only past permit activity but also housing needs.

The Committee further notes that GNMA has imposed limitations on the use of mortgage commitments obtained by lenders under the Conventional Home Mortgage program which do not reflect the intent of Congress. For example, GNMA has required that 75 percent of the mortgages issued by any lender be in amounts of \$36,000 or less, while the authorizing legislation contains a maximum mortgage amount of \$42,000. This restriction will severely disadvantage high-cost housing areas, the needs of which Congress sought to address by approving the \$42,000 limit. The Committee strongly recommends that GNMA revise these regulations. In addition, the Committee directs that in the future, HUD consult with appropriate committees of the Senate and House of Representatives before promulgating regulations of this kind.

The Committee notes that the release of the remaining \$2,000,000,000 currently available under the Emergency Home Purchase Assistance Act of 1974 was restricted to conventional single family and condominium units, even though FHA and VA mortgages are eligible for assistance. The funds authorized by the Emergency Housing Act of 1975 are available for use for conventional and Federal single and multifamily programs. The Subcommittee wants to make clear that the Department of Housing and Urban Development, in using the funds approved under the 1975 Act should make them available for all programs covered, both conventional and Federally-insured single and multifamily units.

PAYMENT OF PARTICIPATION SALES INSUFFICIENCIES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation -----	\$22,883,000	-----
Estimate, 1976 -----	20,935,000	\$5,291,000
House allowance -----	20,935,000	5,291,000
Committee recommendation -----	20,935,000	5,291,000

The Committee concurs with the House in providing an appropriation of \$20,935,000, the same as the budget estimate and \$1,948,000 less than the amount appropriated in fiscal 1975 for the payment of participation sales insufficiency. An additional \$5,291,000, identical to the budgeted and House-approved amount, has been included for the transition period.

The Housing Act of 1964 vested fiduciary powers in the Government National Mortgage Association with the objective of facilitating the substitution of private financing for Government-owned mortgages or other types of obligations. The program provides for the pooling, under trust indentures, of mortgages or other types of obligations of certain Government departments and agencies, and the sale by GNMA, as trustee, of beneficial interests or participation in these pools. Since the inception of the participation sales program in fiscal

year 1965, GNMA established four trusts to administer the sales of participation certificates covering assets in 14 funds of 5 Government agencies. The Small Business Obligation Trust was liquidated in 1971.

The Participation Sales Act of 1966 authorized appropriations to cover payments for insufficiencies in the amount required to be paid by the trustors on account of outstanding participations. These insufficiencies are comprised of the excess interest payments to holders of participation certificates over the interest payments received from the pooled mortgages or other obligations.

For sales authorized in 1967 Congress authorized a permanent, indefinite appropriation to cover insufficiencies. For sales authorized in 1968, Appropriation Acts since 1968 have established annual appropriations for insufficiencies.

The permanent indefinite appropriations are estimated at \$4,848,000 for fiscal 1976 to cover insufficiencies for sales authorized in 1967. An appropriation of \$20,935,000 for 1976, the amount included in the bill, will be required to cover insufficiencies for sales authorized in 1968.

#### COMMUNITY PLANNING AND DEVELOPMENT

REHABILITATION LOAN FUND		Transition period
	Fiscal year	
1975 appropriation	-----	-----
Estimate, 1976	-----	-----
House allowance	-----	-----
Committee recommendation	\$50,000,000	-----

The Committee recommends an appropriation of \$50,000,000 for rehabilitation loans. Funds have not been requested by the Administration or provided by the House for this program.

Section 312 of the Housing Act of 1964 authorizes the Secretary to make 3 percent loans for the rehabilitation of existing housing units. The Emergency Housing Act of 1975 extends this program for one year and authorizes \$100 million for fiscal 1976, in addition to loan repayment money. This extension of the program had not been enacted when the President submitted his budget or when the House of Representatives considered the bill.

Because the money would be repaid to the government over the years, the program's actual cost would be a small fraction of this amount.

The Committee recognizes that since communities now have the possibility of using Community Development block grant money for housing rehabilitation, the Section 312 program will assume a somewhat different role than it has in the past. In view of the difficulties which communities may have in using Community Development funds for rehabilitation loans, the need for rehabilitation programs in communities receiving little or no community development money, and the possibility that State constitutional problems may pose obstacles to the use of Community Development funds for rehabilitation loans, the Committee believes that a Section 312 program of the level proposed would be extremely beneficial and in most cases essential to the community in carrying out its community development objectives.

The Committee is mindful of the language in a 1974 Senate Banking Committee report which basically directs HUD to use Section 312 monies in a manner that encourages the expansion rather than the replacement of local rehabilitation programs. For example, a community may be able to expand its housing rehabilitation loans into an enlarged rehabilitation grant program, which can be used efficiently in combination with Section 312 loan funds. The Committee agrees that such action is desirable where possible and should be encouraged, although HUD must be flexible enough in the allocation of Section 312 funds to respond to other legitimate community needs.

This funding will allow the Department to support the rehabilitation of 5,000 units. The Committee understands that an additional \$57,000,000 may be available in fiscal 1976 for the program. These latter funds consist of carry-over dollars from 1975, as well as loan repayments and other program income projected to be received during the year.

#### COMMUNITY PLANNING AND DEVELOPMENT

##### COMMUNITY DEVELOPMENT GRANTS

	Fiscal year	Transition period
1975 appropriation	\$2,550,000,000	-----
Estimate, 1976	<sup>1</sup> 2,750,000,000	-----
House allowance	<sup>2</sup> 2,790,000,000	-----
Committee recommendation	2,814,000,000	-----

<sup>1</sup> Includes \$200,000,000 requested in H. Doc. 94-98.

<sup>2</sup> Includes \$964,000,000 in new budget (obligational, authority to be derived by transfer from the college housing program).

For the Community Development Grant program the Committee recommends an appropriation of \$2,814,000,000 which is \$64,000,000 above the budget estimate and \$24,000,000 above the House-approved amount.

Of the total amount appropriated, \$50,000,000 has been earmarked for the Urgent Needs Fund for grants to units of local government having urgent community development needs that cannot be met through the operation of the normal allocation formula provisions embodied in the Housing and Community Development Act of 1974.

An additional \$100,000,000 has been expressly provided for towns of under 50,000 population in standard metropolitan statistical areas—so-called SMSA balance communities. These communities otherwise will receive far less than originally anticipated when the formula for the Community Development program was devised due to the larger than expected influx of applications from urban counties who have precedence over SMSA balance towns in the distribution of the money. The remainder of the funds will be distributed by formula to metropolitan cities, urban counties and nonmetropolitan areas as well as under the "hold harmless" provisions of the law.

The total amount available for distribution under the formula as approved by the committee will be \$2,664,000,000. The Committee has in essence, earmarked \$36,000,000 for SMSA balance communities that the Department estimated would be available to these communities under the operation of the formula, thus insuring their availability.

The program gives a maximum flexibility in the use of funds to local elected officials, replacing as it does more narrowly defined categorical programs such as Model Cities, Urban Renewal and Open Space Land. However the program is directed particularly to the needs of persons of low and moderate income. The Committee is concerned lest the Department ignore this legislative directive by disbursing the money without taking adequate precautions to see that these tax dollars are wisely spent.

The Committee directs the Secretary to give particular attention to the completion of urban renewal projects interrupted by the passage of the Housing and Community Development Act of 1974 in administering the Urgent Needs Fund, especially when those projects involve restoration rather than demolition. The Committee is particularly concerned over the failure of the Department to consider providing Urgent Needs support for the Pike Place Public Market restoration project in downtown Seattle, Washington.

#### TRANSFER OF UNEXPENDED BALANCE

The Committee concurs in a decision of the House to provide for a transfer of \$964 million of college housing direct loan program budget authority to the Community Development Grant program. Since the remaining unused contract authority in the college housing debt service grant program was rescinded by the Congress on December 21, 1974 (P.L. 93-529) the elimination of the undrawn balance of loan authority represents the next step in the process of liquidating the College Housing Fund. The transfer of the budget authority will not affect outstanding loans, current fund reservations or the actual cash position of the fund. While funds will be used in the future in order to meet such commitments as the retirement of outstanding participation certificates and the payment of operation expenses, it is anticipated that existing cash balances plus future repayments will be sufficient to meet these expenses.

#### COLLEGE HOUSING

The Senate concurs with the House in directing the Secretary to re-establish the College Housing Program by utilizing the repayments of principal on outstanding loans. In rescinding the College Housing Interest Subsidy Grant Program in December 1974, the Congress acknowledged that there is no longer a pressing national need for financial assistance to colleges and universities for the construction of dormitories and related facilities. Since then, however, national survey data and specific appeals from educational institutions indicate that there still exists sufficient localized need to justify continuation of a modest housing loan program as recommended by the House.

Future repayments of principal on existing loans should be made available for projects that have been started but have only partial permanent financing; for projects that are phased programs, including approved master plans, with the first phase constructed or under construction; for projects at colleges and universities which have severe shortages of dormitories and related facilities and which can demonstrate to the satisfaction of the Secretary that future student use will be sufficient to sustain repayments and thus minimize defaults;

and for projects involving the rehabilitation, alteration, conversion, or improvements of existing eligible facilities so as to achieve substantial economy in the use of fuel and operating costs.

#### COMPREHENSIVE PLANNING GRANTS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$100,000,000	-----
Estimate, 1976-----	<sup>1</sup> 50,000,000	-----
House allowance-----	50,000,000	-----
Committee recommendation-----	125,000,000	-----

<sup>1</sup> This \$50,000,000 was requested in H. Doc. 94-183.

The Committee recommends an appropriation of \$125,000,000 for the Section 701 Comprehensive Planning grant program which is \$75,000,000 above the House figure and the budget estimate.

Section 701 of the Housing Act of 1954, as amended, authorizes grants to support State and local comprehensive planning and management programs concerned with urban and rural development. Federal assistance has focused on encouraging chief executives to make more rational and effective use of the resources available to them. Since the inception of the program, eligibility for assistance has expanded to include States, municipalities of all sizes, counties, areawide planning organizations, multi-State regional commissions and Indian tribes. The Federal grant may cover up to two-thirds of the project cost.

The administration of the Comprehensive Planning Assistance program is focused on the preparation, implementation and maintenance of an ongoing comprehensive planning process by grant recipients. Such a process involves, at a minimum, provisions for citizen input, the development of housing and land use elements and the elimination of duplication and waste among Federal assistance programs through a series of interagency agreements. Special emphasis is also placed on the development of management improvement programs at the local level.

The Committee has consistently recognized the importance of adequately supporting this program as evidenced by its decision to recommend disapproval of a proposed deferral of \$50 million of the \$100 million appropriated for the program in fiscal year 1975. The additional funding provided by the committee should enable communities to meet increased planning costs resulting from the general inflationary rise in the price of goods and services. It should also permit cities of over 50,000 population to continue to receive planning funding.

#### SALARIES AND EXPENSES, COMMUNITY PLANNING AND DEVELOPMENT PROGRAMS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$40,219,000	-----
Estimate, 1976-----	42,640,000	\$10,500,000
House allowance-----	41,740,000	10,500,000
Committee recommendation-----	41,740,000	10,500,000

The Committee recommends an appropriation of \$41,740,000 for the costs of administering the Community Planning and Development programs. This is the same as the House allowance and \$900,000 below the budget estimate.

These funds support both central office and regional staff in the execution of the Community Development Block Grant program and the comprehensive planning grant program. Activities supported include the processing of grant applications and the monitoring of grantees to insure that Federal dollars are wisely used. The Department estimates that 10,047 applications or preapplications are expected under the Community Development Grant program in fiscal 1976. In addition the Department calculates that 4,700 active Community Development Grant programs will be in the monitoring workload for 1976.

The reduction of \$900,000 below the budget estimate would reduce man-years devoted to this activity by only 40 below the 1,826 contained in the Department's budget estimate. This seems a modest cutback in view of the phase-out of the various categorical programs.

#### FLOOD INSURANCE ADMINISTRATION

##### FLOOD INSURANCE PROGRAM

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$50,000,000	
Estimate, 1976-----	75,000,000	\$18,750,000
House allowance-----	75,000,000	18,750,000
Committee recommendation-----	75,000,000	18,750,000

The Committee concurs with the House in recommending the appropriation of \$75,000,000 for the flood insurance program. This figure is identical to the administration's budget request and the House allowance.

Title XIII of the Housing and Urban Development Act of 1968 (known as the National Flood Insurance Act of 1968) authorizes a National Flood Insurance Program. This program enables property owners to buy insurance against losses resulting from physical damage to or loss of real or personal property arising from floods occurring in the United States. The program is carried out in cooperation with private property insurance companies and through existing agents, brokers, and adjusting organizations.

Amendments to the program were enacted in December, 1969, expanding the definition of "flood" to include mudslides (i.e., mudflows) caused by accumulations of water, and providing a temporary emergency program to speed up the availability of coverage. Additional amendments enacted in 1971 clarified the types of coverage.

The Flood Disaster Protection Act of 1973 (P.L. 93-234), effective December 31, 1973, further amended the program. The Act substantially increased the limits of coverage and made other changes in available insurance coverage. In addition, the Act provided a number of incentives for the purchase of flood insurance and for community participation, thereby looking toward the ultimate reduction of Federal disaster-relief outlays through the substitution of insurance and through wise future development of flood-prone areas.

The Act contemplates a dual approach to the problem of flood damage. On the one hand, insurance will be available to cover flood losses, and on the other, as a condition precedent to availability of insurance, communities must adopt and enforce flood plain management measures to reduce the probability and severity of damage.

Section 204 of the Act directs the Secretary to accelerate the risk zone and elevation studies so as to establish such zones and elevations in all of the Nation's areas of special flood hazard because, in many cases, the availability of this information may well affect the extent to which lives and property will be lost in future disasters.

Latest estimates from all sources indicate that there are approximately 22,000 flood-prone communities for which flood insurance studies will have to be conducted by 1983.

The appropriation of \$75,000,000 will permit an increase of 10 positions in field offices above 1975 levels. The increase in funds from the 1975 level for studies would enable a modest start toward acceleration of studies as mandated by the 1973 Act. The FY 1976 amount would provide for the start of about 1,727 new community studies, or 600 more than in 1975.

The Committee in approving the full budget request wishes to impress upon the Federal Insurance Administration (FIA) the importance it attaches to FIA cooperation with the localities in resolving existing problems in the implementation of the Flood Protection Act of 1973, especially in two areas.

The first relates to the determination of the scope and nature of flood hazards. The Committee realizes that extensive time and financial resources are required to prepare the flood plain studies, upon which final designations will be based, and that the preliminary maps utilized in the interim period will contain inaccuracies. Therefore, the Committee urges FIA to work closely with local communities in reviewing the preliminary designations of flood hazard areas and to consider utilizing local historical flood data in evaluating requested changes in designations of flood prone areas. FIA must bear some responsibilities for correcting obvious errors in the preliminary maps, and the Committee, consequently, urges FIA to instruct its contractors to meet and work with local officials both in establishing the boundaries of flood prone areas and in making appropriate revisions in the preliminary maps.

Second, since governments of communities with populations of 10,000 or less often do not have the means to establish, maintain and enforce the zoning, building permit system or land use planning envisioned under this program, the Committee stresses the necessity of FIA technical assistance to these localities.

#### OFFICE OF INTERSTATE LAND SALES REGISTRATION

##### INTERSTATE LAND SALES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----		
Estimate, 1976-----	\$2,726,000	\$645,000
House allowance-----	2,726,000	645,000
Committee recommendation-----	2,726,000	645,000

For the operations of the Office of Interstate Land Sales Registration (OILSR) the Committee recommends \$2,726,000, the same amount as the budget estimate and the House allowance.

Congress passed the Interstate Land Sales Full Disclosure Act in 1968 (Title XIV of the Housing and Urban Development Act of 1968, as amended) to give the public a measure of protection against fraudu-

lent and deceptive land sales operations. This Act is administered by OILSR within the Department.

Projected FY 1976 program activity in OILSR includes the anticipated receipt of approximately 1,800 initial and consolidated filings for new and expanded subdivisions. In addition, 5,200 amendments to existing filings are expected. Each of these submissions are subjected to a detailed examination to assure that the fullest possible disclosure of the subdivisions' characteristics is made available to the consumer prior to purchase.

Approximately 500 applications are expected to be received and reviewed for exemption from full disclosure.

On-site inspections of subdivisions subject to the Act are projected at 1,950 for FY 1976, and the identification of approximately 5,000 unregistered subdivisions is anticipated.

The heaviest workload will continue to be enforcement where consumer complaints and inquiries, estimated at 19,500, are resolved. Other enforcement activity includes the issuance of subpoenas to gain developer cooperation, the issuance of Notices of Proceeding followed by Administrative Hearings resulting from deficient submissions, suspension orders for noncompliance and rescission offers to purchasers who were not afforded the full protection of the Interstate Land Sales Full Disclosure Act.

For the first year OILSR has had to come to the Congress for new budget (obligational) authority. Apparently fee income is no longer sufficient to support administrative expenses. The Committee directs the Office to reassess its fee structure and either adjust fees upward so as to cover operating expenses or inform the Committee why this is not feasible. The Committee expects a report by the end of calendar 1976.

#### POLICY DEVELOPMENT AND RESEARCH

##### RESEARCH AND TECHNOLOGY

	Fiscal year	Transition period
1975 appropriation	\$65,000,000	\$16,250,000
Estimate, 1976	57,000,000	15,500,000
House allowance	53,000,000	15,500,000
Committee recommendation	53,200,000	

<sup>1</sup> Includes \$8,000,000 deferred for obligation into fiscal 1976.

The Committee recommends an appropriation of \$53,200,000 for Departmental Research and Technology which is \$3,800,000 below the budget estimate and \$200,000 above the amount included in the House bill. This appropriation together with the \$8,000,000 deferred from fiscal 1975 will permit the Department to conduct a \$61,200,000 program in fiscal 1976.

Title V of the Housing and Urban Development Act of 1970 authorizes and directs the Secretary to undertake programs of research, studies, testing and demonstrations relating to the mission and programs of the Department. This includes encouraging and promoting the acceptance and application of advanced methods, technology, and materials by the general public and by the housing industry, communities, and industries engaged in urban development activities.

The proposed 1976 program includes continuing research in areas

provided with separate authorization for appropriations by the Congress. Included are housing allowances, housing abandonment, elimination of the lead-based paint hazard, and housing for those with special needs, such as the elderly and the handicapped. Since the general research authorization of Section 501 and 502 of the HUD Act of 1970 is broad enough to cover these activities, the programs will be funded under the Research and Technology appropriation rather than under separate appropriations.

Solar energy activities have been conducted under the general research authority, as well as that provided in the Solar Heating and Cooling Demonstration Act of 1974.

The Committee notes that the Department's research budget has grown from \$750,000 in fiscal 1966 and \$25,000,000 as recently as fiscal 1970 to a very substantial \$57 million in fiscal 1975. On May 23 the Committee wrote to the Assistant Secretary for Policy Development and Research asking what sort of benefits the taxpayer had purchased with these dollars. A reply to this letter was received on July 15 and the material is currently being analyzed.

The Committee intends to closely monitor the costs and the results of this program to make sure that funds are not merely invested to corroborate the preconceived ideas of those making national housing policy but that the investment produces results that pay a dividend to American homeowners and renters. In the absence of compelling evidence that this is so the Committee has declined to increase funding for the program by the requested \$8,000,000 above fiscal 1975 levels.

The Committee has concurred with the House in earmarking funds for the Housing Assistance Council whose work in the rural housing area has produced such satisfying results. However the Committee has increased the House figure of \$400,000 to \$600,000 in recognition of the importance of providing a certain amount of stability by making sure that funding is to be available during the transition period. This \$200,000 increase has been added to the total budget for research and technology in order to avoid a further reduction in HUD's research effort.

The Committee has also specified in the bill that \$1,000,000 shall be spent on research necessary to the promulgation of adequate regulations under the National Mobile Home Construction and Safety Standards Act of 1974. Although the Department has requested funds for the implementation of the program they have been turned down by the Office of Management and Budget. Since the new standards must take effect next February it is essential that sufficient support for the promulgation of those standards be provided now.

Finally, the Committee directs that the budget cut not be applied against vital research efforts such as the lead-based paint hazard reduction program and rural housing activities.

#### SALARIES AND EXPENSES, POLICY DEVELOPMENT AND RESEARCH

	Fiscal year	Transition period
1975 appropriation	\$6,320,000	
Estimate, 1976	7,210,000	\$1,845,000
House allowance	6,765,000	1,700,000
Committee recommendation	6,765,000	1,700,000

For the expenses of administering the research and technology programs of the Department the Committee appropriates \$6,765,000 which is \$445,000 below the budget estimate and identical to the amount provided by the House.

The Committee directs that 6 positions be utilized to undertake the work necessary to create mobile home safety standards as mandated by the Mobile Home Safety Act. This is in addition to funds earmarked for this activity under the research and technology account.

The Committee recognizes that the overall level of funding provided will provide for only 8 new positions out of the 26 initially requested by the Department. However, six of these positions can be used to augment the mobile home program. Other planned personnel allocations will have to be reduced but this is a logical development in view of a reduction in Research and Technology funding below the amount requested in the budget coupled with the importance of this new program.

#### FAIR HOUSING AND EQUAL OPPORTUNITY

	Fiscal year	Transition period
1975 appropriation.....	\$11,887,000	
Estimate, 1976.....	12,735,000	\$3,265,000
House allowance.....	12,735,000	3,265,000
Committee recommendation.....	12,735,000	3,265,000

The Committee recommends \$12,735,000 to support the Fair Housing and Equal Opportunity activities. The allowance is identical to the budget estimate and the amount allowed in the House bill.

This funding will provide for the cost of administering the equal opportunity programs of the Department, including the development and implementation of standard regulations and procedures as required by law and by Executive orders; and the administration of the national fair housing program. It will permit a staffing allocation of 452 permanent full-time positions and 25 temporary positions.

The Committee is particularly hopeful that this Office will vigorously pursue an effective Departmental equal employment opportunity program and sharpen its affirmative action program in accordance with Executive Order 11478.

#### DEPARTMENTAL MANAGEMENT

##### GENERAL DEPARTMENTAL MANAGEMENT

	Fiscal year	Transition period
1975 appropriation.....	\$5,547,000	
Estimate, 1976.....	5,905,000	\$1,510,000
House allowance.....	5,905,000	1,510,000
Committee recommendation.....	5,905,000	1,510,000

The Committee concurs with the House in providing \$5,905,000, the amount requested by the Administration, for the operations of the Department's executive offices.

The activities supported by this appropriation include the Immediate Office of the Secretary and the Under Secretary, the Deputy Under Secretaries for Field Operations and for Management, the Executive Secretariat, and such offices as Public Affairs, Labor Relations, International Affairs, and Legislative Affairs. The total staffing for 1976 is estimated to be 165, a continuation of the 1975 level.

#### SALARIES AND EXPENSES, OFFICE OF GENERAL COUNSEL

	Fiscal year	Transition period
1975 appropriation.....	\$3,548,000	
Estimate, 1976.....	3,765,000	\$965,000
House allowance.....	4,964,000	1,287,000
Committee recommendation.....	<sup>1</sup> 3,464,000	<sup>2</sup> 885,000

<sup>1</sup> An additional \$1,750,000 has been provided by transfer from the funds of the Federal Housing Administration.

<sup>2</sup> An additional \$485,000 has been provided by transfer from the funds of the Federal Housing Administration.

The Committee has concurred in a House decision to include FHA funds traditionally provided in Title III of the bill as a part of a Title I account. However this has been done through transfer language rather than through a direct appropriation.

As a result the Committee has recommended \$3,464,000 for Salaries and Expenses, Office of the General Counsel, which is \$301,000 below the budget estimate and \$1,500,000 below the House-approved amount. Although this appears to be a cut in the House approved figure it actually represents an increase of \$250,000 because an additional \$1,750,000 has been provided by transfer. The House appropriated these funds directly.

The net impact of this budget reduction will be a cutback of 6 or 7 positions in existing staff. In view of the many hours General Counsel's office has doubtless spent in defending such ill advised actions as terminating the Section 235 program in the face of Congressional intent that the program be continued, as well as the concerns raised by the House, the Committee feels that this office can manage quite adequately with the personnel provided.

#### SALARIES AND EXPENSES, OFFICE OF INSPECTOR GENERAL

	Fiscal year	Transition period
1975 appropriation.....	\$6,822,000	
Estimate, 1976.....	7,245,000	\$1,805,000
House allowance.....	10,280,000	2,615,000
Committee recommendation.....	<sup>1</sup> 7,245,000	<sup>2</sup> 1,805,000

<sup>1</sup> An additional \$3,035,000 has been provided by transfer from the funds of the Federal Housing Administration.

<sup>2</sup> An additional \$810,000 has been provided by transfer from the funds of the Federal Housing Administration.

The Committee has concurred with the House in providing \$7,245,000, the amount budgeted, for the Salaries and Expenses of the Office of Inspector General plus adding further funds by transfer from the FHA. The House, by eliminating the FHA account and appropriating the funds directly to this account has created an additional \$3,035,000 in new budget (obligational) authority in fiscal 1976 and a further \$810,000 in the transition period. The Committee has chosen to handle this part of the funding through transfer language rather than direct appropriations.

The Inspector General reports directly to the Secretary. He has authority to inquire into all program and administrative activities of the Department in order to carry out a comprehensive plan of selected audits, investigations, surveys, reviews, and security services of sufficient coverage to provide reasonable protection and constructive advice for Department management.

The amount approved by the Committee will permit the creation of 22 additional permanent positions. Of the total, 21 positions are earmarked for the Office of Audit in response to additional estimated audit responsibilities under the Housing and Community Development Act of 1974.

ADMINISTRATION AND STAFF SERVICES

	Fiscal year	Transition period
1975 appropriation -----	\$19,255,000	
Estimate, 1976 -----	22,745,000	\$5,785,000
House allowance -----	53,125,000	12,803,000
Committee recommendations -----	<sup>1</sup> 22,033,000	<sup>2</sup> 5,608,000

<sup>1</sup> An additional \$31,092,000 has been provided by transfer from the funds of the Federal Housing Administration.

<sup>2</sup> An additional \$7,195,000 has been provided by transfer from the funds of the Federal Housing Administration.

The Committee has concurred in a House decision to include FHA funds traditionally provided in Title III of the bill as a part of the Administration and Staff Services account for fiscal 1976 and the transition period. However this has been done through transfer language rather than through a direct appropriation.

Consequently, although there appears to be a difference of \$31,092,000 in fiscal 1976 and \$7,195,000 in the transition period between the House and the Committee figures, this is accounted for by the Committee's decision to use transfer authority.

The amount provided by the Committee is \$712,000 less than the budget estimate in fiscal 1976 and \$177,000 below the budget estimate for the transition period. In reducing the Administration's request by these amounts the Committee is concurring with the House decision to apply a ten percent reduction in the amount to be paid to GSA for space rental costs.

The funding provided will enable the Department to effectively carry out all administrative management objectives and continue development of new managerial techniques and procedures initiated in fiscal year 1975. This will support an estimated staffing level of 1,200 positions in fiscal year 1976, providing for the performance of such administrative activities as the Offices of Finance and Accounting, Personnel, General Services, Organization and Management Information, Budget, and Procurement and Contracts, as well as other basic operational requirements such as space rental, penalty mail, and data processing services related to the Office of Administration.

REGIONAL MANAGEMENT AND SERVICES

	Fiscal year	Transition period
1975 appropriation -----	\$29,234,000	
Estimate, 1976 -----	28,795,000	\$7,270,000
House allowance -----	36,032,000	9,077,000
Committee recommendation -----	<sup>1</sup> 25,444,000	<sup>2</sup> 6,429,000

<sup>1</sup> An additional \$15,580,000 has been provided by transfer from the funds of the Federal Housing Administration.

<sup>2</sup> An additional \$3,905,000 has been provided by transfer from the funds of the Federal Housing Administration.

The Committee has concurred in the House decision to include funds that have traditionally been provided to the FHA as a part of this

Title I account. This recognizes the fact that these FHA funds have been used for Regional Management and Services and is an attempt to simplify accounting procedures. However this has been done through transfer language rather than through a direct appropriation. Thus in comparing the House and Committee figures one has to add to the Committee recommendation funds transferred from the FHA account (see footnote).

With this distinction taken into account the Committee, on a comparable basis, has recommended an appropriation of \$25,444,000 for Regional Management and Services, which is \$3,351,000 less than the budget request and \$4,992,000 above the House allowance, taking into account the FHA transfer. This represents a restoration of three-quarters of the House cut in personnel.

Part of the Committee reduction in fiscal 1976 funds, as well as those provided for the transition period, represents concurrence with a House decision to apply a 10 percent reduction in the amount to be paid to GSA for space rental costs. This accounts for \$1,688,000 of the fiscal 1976 cut and \$423,000 of the transition period reduction. This decision applies to all agencies. The Committee sees no good reason to make an exception in this instance. The remainder of the reduction represents a manpower cut.

This Committee notes and strongly concurs with the view expressed in the House Appropriations Committee report that HUD's regional offices often constitute an unnecessary layer of bureaucracy and that the Department should eliminate the excess of regional office supervision, evaluation and review of area and insuring offices. This committee has concluded that a complete reorganization of the structure and responsibilities of regional offices is very much in order.

Recognizing that a cut of almost 20 percent in manpower at this time might impose such a reorganization precipitously, the Committee recommends a restoration of three-quarters of the positions cut by the House to provide the Department with a reasonable opportunity to prepare such a reorganization plan. But this committee directs the Department to submit with its budget requests for the next fiscal year a comprehensive reorganization plan which will allow for substantial reductions in the appropriation for Regional Management and Services and will promote more efficient and stream-lined regional and area HUD services.

AREA OFFICE STATUS FOR HONOLULU

The Committee is advised that the Honolulu Federal Housing Administration Insuring Office as now constituted has full authority in the areas of FHA insurance and assisted housing programs. In Community Development matters, however, the primary function of the Honolulu office is to make a partial review of applications, with the final review, funding, and monitoring responsibilities being handled by the San Francisco Area Office.

Dividing responsibility for Community Development between San Francisco and Honolulu would appear to make it difficult, in view of the distance and time differential, to achieve the degree of coordination essential to the successful implementation of the program. This would be true not only in the State of Hawaii but also in the forward

areas of the Pacific, such as Guam, American Samoa, the Marianas and the Trust Territory of the Pacific Islands, over which the Honolulu FHA Insuring Office has long had jurisdiction.

With the reorganization and extension of HUD programs through the passage of the Housing and Community Development Act of 1974, active participation may arise in both American Samoa and the Trust Territory. The farthest point in these areas is 12½ travel hours away from Honolulu, and an additional 5 hours from San Francisco. The Committee is informed that there is considerable expense, inconvenience and delay involved in traveling and communicating between San Francisco and the Pacific Islands to negotiate HUD business.

The cultural, political and social differences unique to Guam, American Samoa, the Marianas and the Trust Territory of the Pacific Islands could make it desirable that local governments there receive Community Development program direction and assistance from Honolulu, which is familiar with those areas through its experience in administering the FHA insurance and assisted housing programs.

The Committee therefore requests the Department of Housing and Urban Development to conduct a full and immediate investigation into the question of whether upgrading the Honolulu FHA Insuring Office to an Area Office, or, in the alternative, giving it full Community Development program responsibility, would increase the effectiveness, efficiency and economy of the Department's efforts to meet the needs of local governments and individuals in Hawaii and the forward areas of the Pacific, and to report its findings to this Committee.

#### FUNDS APPROPRIATED TO THE PRESIDENT

##### FEDERAL DISASTER ASSISTANCE ADMINISTRATION

###### DISASTER RELIEF

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$200,000,000	
Estimate, 1976-----	150,000,000	\$37,500,000
House allowance-----	150,000,000	37,500,000
Committee recommendation-----	150,000,000	37,500,000

The Committee has concurred with the budget estimate and the House allowance in recommending \$150,000,000 for disaster relief in fiscal 1976 and \$37,500,000 in the transition three months.

The amount requested and recommended by the Committee is based on an anticipated declaration by the President of 46 major disasters. Should the provision of authorized assistance require funds in excess of this amount supplemental appropriations would be necessary.

The reduction of \$50,000,000 in funding for this program in fiscal 1976 is due to an estimated carryover of approximately \$40,000,000.

## TITLE II.

### INDEPENDENT AGENCIES

#### AMERICAN BATTLE MONUMENTS COMMISSION

##### SALARIES AND EXPENSES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$4,779,000	
Estimate, 1976-----	5,012,000	\$1,450,000
House allowance-----	5,012,000	1,450,000
Committee recommendation-----	5,012,000	1,450,000

For Salaries and Expenses of the American Battle Monuments Commission, the Committee recommends an appropriation of \$5,012,000, which is the same as the budget estimate and the amount contained in the House bill. The Committee also recommends an appropriation of \$1,450,000 for the Transition period.

No new or expanded programs have been provided for in the agency budget. The \$500,000 increase over fiscal year 1975 is solely to offset the increasing costs of pay, energy, supplies, materials, equipment and services.

The American Battle Monuments Commission is responsible for commemorating the achievements and sacrifices of the United States Armed Forces where they have served since April 6, 1917; constructing, administering and maintaining permanent American military cemetery memorials and monuments in foreign countries; and controlling erection on foreign soil of monuments and markers to U.S. Armed Forces and members by U.S. citizens and organizations.

The Commission also provides information and assistance on request to the relatives and friends of the War Dead interred in or commemorated at its facilities.

#### CONSUMER PRODUCT SAFETY COMMISSION

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$36,954,000	
Estimate, 1976-----	36,595,000	\$9,148,000
House allowance-----	42,790,000	10,697,000
Committee recommendation-----	40,849,000	10,213,000

The Committee recommends an appropriation of \$40,849,000, for fiscal year 1976, which is \$1,941,000 below the amount contained in the House bill and \$4,254,000 above the budget estimate.

The increase of \$4,254,000 shall be applied to high priority needs of the Commission, as indicated in the Commission's budget justifications and in the concerns of the Committee expressed below, and shall be used to fill at least 89 of the 229 additional full-time permanent positions requested.

The Consumer Product Safety Commission is an independent regulatory agency established by Congress for the purpose of reducing injuries associated with consumer products. Under the Consumer Product Safety Act, the Commission is authorized and directed to establish mandatory product safety standards, to ban consumer products which present an unreasonable risk of injury, to conduct research on consumer product standards, to engage in broad consumer and industry information programs, and to establish a comprehensive Injury Information Clearinghouse. The Act also provides for petitioning of the Commission by any interested person, including consumers or consumer organizations, to commence proceedings for the issuance, amendment, or revocation of a consumer product safety rule.

In addition to the authority granted under the Act, the Commission is responsible for administering the Flammable Fabrics Act, the Poison Prevention Packaging Act, the Hazardous Substances Act, and the Refrigerator Safety Act.

The National Commission on Product Safety estimated that there are approximately 20 million injuries a year associated with consumer products. Of these, 110,000 resulted in permanent disability, and 30,000 resulted in death. The cost of such accidents was estimated at \$5.5 billion. There are approximately 11,000 products, involving several hundred thousand manufacturers, distributors, retailers and importers subject to regulation by the Commission.

The Consumer Product Safety Commission received an appropriation of \$37,454,000 for fiscal year 1975. In January 1975, the President proposed a rescission of new budget authority in the amount of \$1,709,000. The Congress approved a rescission of \$500,000, bringing the Commission's 1975 appropriation level to \$36,954,000.

Under section 27(k) of its Act, the Commission is required to transmit concurrently to the Congress any budget estimate or request submitted to the President or the Office of Management and Budget. The Commission has interpreted this provision as allowing it to disagree publicly with the President's budget request and to defend its own estimate.

Accordingly, the Commission requested a 1976 budget of \$50,386,000, which is an increase of \$13,432,000 over the 1975 appropriation, or a 36 percent increase. The President requested a budget of \$36,595,000, which is a decrease of \$359,000 below the 1975 level.

The Commission also requested 1,110 full-time, permanent positions for fiscal year 1976, an increase of 229 over the 1975 ceiling of 890 positions, or a 26 percent increase. The President's budget kept the personnel ceiling at the 1975 level of 890.

The Committee gave careful consideration to the Commission's arguments about the need for a budget of \$50,386,000, but in view of the pressing need to hold down Federal spending and concerns about the Commission's performance, the Committee believes that a 36 percent increase in funding is unwarranted.

However, the Committee does recognize the importance of the Commission's responsibility to protect the American consumer from unreasonable risk of injury and death from consumer products. A decrease in funding of the magnitude proposed in the President's budget would severely hamper the Commission's ability to accomplish

this mission, especially since a significant proportion of its resources must be devoted to responding to imminent hazards and to petitions from the public, as mandated in the Act, and not to planned and systematic standards development.

Thus the Committee recommends a budget of \$40,849,000, which is a 10 percent increase over 1975, plus \$200,000 to cover the pay raise increment.

The Committee is disappointed with the Commission's overall level of performance in its second year of operation and finds a lack of sufficient accomplishment to justify the large increases in funding and staff requested. The following are some of the Committee's specific concerns:

The Commission has yet to promulgate any safety standards developed under the Consumer Product Safety Act, its authorizing legislation, in more than two years of operation, although standards begun prior to the Commission's establishment have been issued. When questioned about use of its authority under the Act to accept voluntary standards developed by industry where appropriate, the Commission revealed it had no mechanism developed for accepting such standards. The Committee urges the Commission to expedite the standards development process, through better in-house procedures and clarification of bids for offerors, in order to meet or exceed its goals for fiscal 1976 and 1977.

Although the Commission is relying on the concept of "motivational compliance" as the primary enforcement tool, with an emphasis on criminal prosecution of violators, the Committee found numerous instances of delay and inefficiency in the handling of cases by the Bureau of Compliance. Information submitted to the Committee showed that the Department of Justice refused to prosecute nine out of sixteen cases submitted under the Federal Hazardous Substances Act because of delay, lack of due process, or other deficiencies in the Commission's handling of the cases. Comprehensive information on the Bureau's performance was not available to the Committee, since the Commission revealed that no records were kept of cases sent in from the field offices until May, 1974. The Committee directs the Commission to improve its procedures for handling cases of violations and to report back to the Committee on progress made in reducing delay and carrying out successful prosecutions.

Although the commission has requested an increase of 229 positions over its present ceiling of 890 full-time permanent positions, or a 26 percent increase, information supplied to the Committee upon request revealed that on April 28, 1975, just two months before the end of the fiscal year, the Commission had only 813 positions filled, about 10 percent below the authorized level. Given these figures, the Committee does not find the requested increase in positions justified. In view of the Commission's growing workload, however, the Committee does authorize 89 new positions and directs the Commission to report back to the Committee on its progress in filling the authorized positions. Also, the Committee concurs with the House in directing the Commission to reduce the excessive number of temporary employees.

Subsequent to the hearings, the Committee received additional information from the Commission indicating progress toward correcting

many of these deficiencies, and the Committee expects to see an improvement in the Commission's performance in the next fiscal year.

The Commission's interpretation of section 27(k) of its Act has resulted in a strong disagreement with the Office of Management and Budget and the submission of a confusing budget justification document to the Appropriations Committees. While the Committee supports the idea of concurrent budget submission by an independent regulatory agency, it does not feel that this need be a barrier to the Commission's working with the Office of Management and Budget to arrive at a realistic budget estimate. Furthermore, the Committee has difficulty accepting a budget estimate that is justified more in terms of an ideal "base budget" concept than in light of a realistic evaluation of necessary increments of staff and funding. The Committee concurs with the House in recommending that the Commission obtain the independent evaluation and review of the Office of Management and Budget and further directs the Commission, in the event of a disagreement, to submit justifications for both the level of spending recommended by the Commission and the level recommended by the Office of Management and Budget.

The Committee was told that some of the Commission's problems with the Office of Management and Budget are due to the Commission's taking the position that as an independent regulatory agency and an arm of Congress, it need not seek Executive branch political clearance of its top-level employees. Since the authorizing legislation recently reported out of the Commerce Committee affirms this position, the Committee feels that this should not be a problem in the future.

The Committee concurs with the House in denying the Commission's request for acquisition of a computer.

#### DEPARTMENT OF DEFENSE—CIVIL

#### CEMETERIAL EXPENSES, ARMY

#### SALARIES AND EXPENSES

	Fiscal year	Transition period
1975 appropriation	\$258,000	
Estimate, 1976	5,617,000	\$966,000
House allowance	5,615,000	966,000
Committee recommendation	5,615,000	966,000

The Committee recommends an appropriation of \$5,615,000 for the Department of the Army, Cemeterial Expenses. This sum is \$2,000 below the budget estimate and the same as the amount recommended in the House bill. This decrease of \$2,000 is the result of a 10 per cent reduction in the payment of space rental charges to the General Services Administration. The Committee also recommends providing \$966,000 for the Transition period, the same amount recommended by the House.

The fiscal year 1975 appropriation request by the Administration was reduced by \$3,468,000 to \$258,000 by using \$2,900,000 that was being held in reserve for construction of the Chapel Columbarium and \$568,000 from prior year funds and from OMB unapportioned Re-

serves. These funds are not available to the agency in fiscal year 1976, thus explaining the substantial increase in the Administration's budget for its fiscal year 1976 appropriations.

Responsibility for the Arlington and Soldiers' Home National Cemeteries is vested in the Secretary of the Army. That official has delegated to the U.S. Army Memorial Affairs Directorate the responsibilities for staff and technical supervision of the day-to-day operations.

Arlington and Soldiers' Home National Cemeteries contain the remains of 177,804 persons and comprise a total of 573.6 acres. There were 2,658 interments in fiscal year 1974.

Each grave is marked with a headstone or grave marker, except in a relatively few instances, where the family may be authorized to erect a monument of its own design at private expense. In addition, a headstone or marker may be furnished for the unmarked grave of any deceased eligible serviceman interred in a private cemetery. Procurement of headstones and grave markers is the responsibility of the Veterans Administration.

These cemeteries require a program of construction each year. The funds requested for construction are expended to develop available land areas and thus provide gravesites and facilities required to accomplish the interment of the remains of eligible persons. In addition, certain new construction and alterations are required of existing facilities to protect the Government's investment in these cemeteries.

#### ENVIRONMENTAL PROTECTION AGENCY

The Environmental Protection Agency (EPA) was established as an independent agency in the executive branch pursuant to Reorganization Plan No. 3 of 1970, effective December 2, 1970.

EPA was created for the purpose of consolidating and coordinating the environmental activities of the Federal Government in a single agency. Pollution abatement and control programs were transferred to EPA from the Department of the Interior, the Department of Health, Education, and Welfare, the Department of Agriculture, the Atomic Energy Commission, the Council on Environmental Quality, and the Federal Radiation Council.

The committee recommends the appropriation of \$766,520,000 for the programs of the Environmental Protection Agency. This is \$23,720,000 over the budget estimate and is \$2,000,000 under the amount recommended by the House.

The bill also includes \$188,586,000 for the transition period, \$14,586,000 above the budget estimate, and \$330,000 below the House.

The Agency administers programs under a number of different Acts. The following is a description of the different programs by media:

1. *Air*.—Under the Clean Air Act of 1970, as amended, EPA administers a national program of air pollution research, regulation and enforcement activities. The Act places primary responsibility for the prevention and control of air pollution on State and local governments, and provides Federal financial assistance for the development of cooperative Federal, State, regional and local programs.

Purposes of the Act include the protection and enhancement of the quality of the Nation's air resources in the interest of the public health

and welfare through the establishment of national primary and secondary ambient air quality standards, and the initiation and acceleration of a national research and development program to achieve the prevention and control of air pollution. The law also provides for standards and enforcement for stationary air pollution sources.

To carry out the provisions of the Act, EPA is authorized to make grants and enter into contracts to provide for a national program of research and development, with special emphasis on fuels and vehicles, and to carry out Federal enforcement, inspection, monitoring, and abatement activities.

2. *Water Quality.*—The Federal Water Pollution Control Act, as amended, has as its objective the restoration and maintenance of the chemical, physical, and biological integrity of the Nation's waters. The program emphasizes the control of pollutant discharges into waterways from municipal and industrial point sources. Major control methods include the issuance of discharge permits requiring a reduction in the level of pollution through use of best practicable technology, effluent guidelines to regulate discharges from point sources by industry, and Federal financial assistance of up to 75 percent of the cost of planning, designating and constructing wastewater treatment plants.

States are given primary responsibility for planning, monitoring and enforcing standards and guidelines. They establish priorities for the award of wastewater treatment construction grants, based on individual State allotments. States receive Federal financial assistance for carrying out the provisions of the Act. Technical, planning and training assistance are also provided to States and localities.

Other programs provided for under the Act include standards for ocean dumping and discharges of oil and hazardous materials, control of pollution from non-point sources such as mining and agriculture, and the "Clean Lakes" program.

3. *Water Supply.*—The Safe Drinking Water Act of 1974 requires the Federal government to establish and enforce primary and secondary drinking water standards. States are given the major responsibility for enforcement of the Act, and EPA is authorized to provide grants and technical assistance to the States to aid them in developing water supply enforcement programs and permit programs to control the underground injection of contaminants. The research and development program includes studies of health effects and development of analytical techniques for assessing drinking water quality.

4. *Solid Wastes.*—The Solid Waste Disposal Act, as amended by the Resource Recovery Act of 1970, directs EPA to establish guidelines for the collection, transportation, separation, recovery, and disposal of solid wastes and to promote the development and demonstration of resource recovery and solid waste disposal systems. The primary emphasis of the program is on solid waste problems with significant implications nationwide, including disposal of sludges and hazardous wastes and demonstration of resource recovery technology.

EPA provides information and technical assistance to State and local governments. The research and development program includes studies of the health effects of different disposal techniques and development of technologies for the safe disposal of toxic and hazardous solid wastes.

5. *Pesticides.*—The Federal Environmental Pesticide Control Act, which amended the Federal Insecticide, Fungicide and Rodenticide Act, authorizes EPA to regulate the manufacture, distribution and use of pesticides. The Act requires the registration of pesticides for general or restricted use, and provides that restricted use pesticides may only be applied by certified applicators. States certify the applicators, and training is carried out under a joint program by EPA, the Department of Agriculture, and State agencies. Under the Act, the registration of a pesticide may be cancelled or the product suspended in the event of any imminent hazard to human health or the environment. EPA sets residue tolerances for pesticides applied to food and feed crops.

The Agency conducts monitoring and research into the health and environmental effects of pesticides in humans and in different media, including acute and chronic long-term effects of pesticide exposure on human health. Research is being carried out in conjunction with the National Science Foundation and the Department of Agriculture to develop environmentally safe alternative pest control techniques, including biologically integrated methods for pest control.

The enforcement program includes registration, market surveillance, inspections, and monitoring of experimental use pesticides. Sanctions available to the agency include civil or injunctive actions, stop sales, and criminal prosecutions.

6. *Radiation.*—The Radiation program is carried out under provisions of the Public Health Service Act, the Atomic Energy Act, and the authorities of the Federal Research Council transferred to EPA under the reorganization plan. The purposes of the program include the study of the effects of radiation on the environment and the prevention of unnecessary exposure to ionizing radiation.

The research program includes studies of the health effects of exposure to ionizing radiation, such as radionuclides emitted by nuclear power reactors. EPA conducts monitoring activities to determine levels of existing radiation from specific sources, to identify critical pathways of radiation, and to evaluate the impact of sources of radiation on the environment. The agency develops standards and guidelines to limit levels of ionizing and nonionizing radiation in the environment generally. Information and technical assistance are provided to States and local governments for the development of control and testing programs and emergency plans. EPA also reviews construction proposals for nuclear facilities to be operated by other Federal agencies and environmental impact statements submitted by other agencies.

7. *Noise.*—The Noise Control Act of 1972, which authorizes the establishment of a national environmental noise control program, requires the setting of noise emission standards for products identified as major sources of noise. It also authorizes the labeling of consumer products with respect to their noise-generating characteristics or their effectiveness in reducing noise, and the testing of new products for compliance with noise emission standards. EPA provides information and technical assistance to States, localities, and other Federal agencies for the development and implementation of noise control programs.

8. *Toxic Substances.*—The activities of this program are carried out

under authorities in the Clean Air Act, the Federal Water Pollution Control Act, and the Solid Waste Disposal Act. The purpose of the program is to reduce hazards to the environment from toxic substances. The agency conducts research into the health effects of toxic substances in order to build up a data base and background information to support future regulatory efforts.

#### COMMITTEE RECOMMENDATIONS BY APPROPRIATION

Of the amounts approved in the following appropriation accounts, the Agency must limit transfers of funds between media to less than ten percent of the budget plan in the absence of the approval of the House and Senate Appropriations Committees.

The bill provides that not more than seven percent of the funds made available to the Agency in any appropriation account (except appropriations for "Construction Grants") may be transferred to any other account.

#### AGENCY AND REGIONAL MANAGEMENT

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation	\$57,216,000	
Estimate, 1976	65,700,000	\$17,000,000
House allowance	65,374,000	16,923,000
Committee recommendation	65,374,000	16,923,000

The Committee concurs with the House in recommending an appropriation of \$65,374,000 for Agency and Regional Management. This figure is \$326,000 below the budget estimate.

This activity includes policy direction and administration for all EPA programs. It also includes service and support functions such as public affairs, equal employment opportunity, Federal agency pollution control activities, environmental impact statement reviews, program planning and economic analysis, budgeting and accounting, auditing, grant and contract policy, and other housekeeping functions.

These management and support activities can be broken down into two categories: agency management and support and regional management and support. The agency management and support activity includes policy direction provided by the Administrator and his immediate staff, agencywide management functions performed by the Office of Planning and Management, and administrative and support services provided at headquarters and to research facilities located in various parts of the country. The regional management and support activity involves policy direction of program operations and general management functions carried out in each of the Agency's 10 regional offices.

The Committee has approved the Agency's request for \$500,000 and 35 new positions to expand audit coverage on completed waste treatment works projects and interim audits on a representative sample of on-going projects. The committee is concerned about mismanagement in the construction grants program and reports of excessive profits made by local consulting firms. In view of these problems and the large amounts of money involved in the program, the Committee urges the Agency to expand rapidly its activities in this area, with special emphasis on interim audits.

The Committee concurs with the House in retaining language in the bill earmarking \$5 million for preparing EPA environmental impact statements, in addition to approving the agency's request for 14 new positions for this activity.

The Committee concurs in a House decrease of \$326,000 in the fiscal 1976 budget request, and a decrease of \$77,000 in the transition period, which represents a 10-percent cut in General Services Administration space rental costs. This is a prorata share of an overall \$1,630,000 decrease made in the total EPA budget request due to the House policy of authorizing payment to GSA of only 90 percent of the standard level user charges assessed to the agencies by GSA. Similar reductions for this purpose have been made in appropriations for Research and Development, Abatement and Control, and Enforcement.

#### ENERGY RESEARCH AND DEVELOPMENT

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation	\$134,000,000	
Estimate, 1976	112,000,000	\$21,000,000
House allowance	100,000,000	21,000,000
Committee recommendation	100,000,000	21,000,000

For Energy Research and Development, the Committee concurs with the House in recommending an appropriation of \$100,000,000, which is \$12,000,000 below the budget estimate.

The Energy Research and Development program is designed to determine the environmental implications and effects of the nation's energy development efforts and to provide adequate environmental protection in the course of developing our energy resources. The purposes of this EPA activity include (1) adequate protection of human health, welfare, ecosystem, and social goals; (2) environmental protection necessary to facilitate the use of energy supplies, with particular emphasis on domestic fuels; (3) implementation of energy system initiatives without delays caused by inadequate and insufficient environmental impact data; (4) development of appropriate cost-effective control technologies for emerging energy systems; and (5) assessment of the environmental implications of energy conservation measures in order to maximize the energy savings and minimize the associated adverse impacts.

The agency's request includes a decrease of \$22,000,000 below fiscal 1975, due to the transfer of funding responsibilities to ERDA for projects being conducted by that agency (\$6,000,000), phasing down of mining activities (\$2,000,000), and reduced support requirements for projects funded primarily in prior years (\$14,000,000).

The Committee concurs with the House decision to provide \$100,000,000 for energy research and development programs, a decrease of \$12,000,000 below the budget estimate and \$34,000,000 below the 1975 figure. The decrease is recommended as a partial offset to increases in higher priority areas. The Committee has provided funds, however, for the 40 positions requested and the full budget estimate of \$21,000,000 for the transition period, thus concurring with the House that additional staffing is necessary for a well run program.

The Committee is aware of plans in various stages of development which could lead to a concentration of power plants along the Ohio

River in Ohio, Kentucky, Indiana and Illinois. Although the environmental impact of such a concentration could be critical, the decision-making authority regarding the construction of these facilities is dispersed throughout the federal government and several state governments.

The Committee directs the Environmental Protection Agency to conduct, from funds appropriated in this account, an assessment of the potential environmental, social, and economic impacts of the proposed concentration of power plants in the Lower Ohio River Basin. This study should be comprehensive in scope, investigating the impacts from air, water, and solid residues on the natural environment and residents of the region. The study should also take into account the availability of coal and other energy sources in this region.

The Committee continues to be concerned about the precise goals and purposes of the energy research and development program and about the need for EPA to coordinate closely with ERDA and the other energy related agencies in order to avoid conflict and duplication.

#### RESEARCH AND DEVELOPMENT

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$170,638,000	-----
Estimate, 1976-----	163,400,000	\$43,000,000
House allowance-----	170,674,000	42,923,000
Committee recommendation-----	170,674,000	42,923,000

The Committee concurs with the House in recommending \$170,674,000 for Research and Development. This sum is \$7,274,000 above the budget estimate.

The Research and Development programs produce scientific and technical information which supply the basis for national policy decision and effective control strategies in the regulation, prevention and abatement of environmental pollution. EPA carries out extensive research and development programs in the areas of air and water pollution control, water supply protection, solid waste management, control of pesticides and toxic substances, radiation protection, and interdisciplinary studies.

The Agency's research and development activities are administered by a system of grants, contracts, and agreements with universities, industry, other private commercial firms, nonprofit organizations, State and local governments, and other Federal agencies, as well as through EPA's own laboratories.

During the past year, the programs of the Office of Research and Development have been sharply criticized by the General Accounting Office, the National Academy of Sciences, the Staff of the Senate Environmental Pollution Subcommittee, and the Water Pollution Control Federation. Two general themes have run through these critical reports: that the Office was poorly organized, creating too much paperwork, separating planning from execution, creating barriers to selection of ideas for projects, and interfering with the setting of priorities; and that the agency could not adequately plan its R&D because it did not have any integrated approach to environmental pollution control, in part because of inconsistencies and discontinuities in the statutes.

The Committee is concerned about these allegations and is aware that EPA has initiated a major reorganization of its research and development program, with a view to eliminating layers of bureaucracy and cutting out red tape. The Committee concurs with the House in approving the agency's request for a decrease of \$2,000,000 and 40 positions in program management due to reorganization plans and urges that the agency keep the Committee informed of the progress and success of this reorganization effort.

The budget request proposed an increase of 15 positions to support ongoing research on the health effects of emissions from catalytic converter-equipped vehicles, and a decrease of 17 positions and \$8,000,000 reflecting the transfer of projects to the energy research program. The House approved an additional \$3,000,000 for health effects research on emissions from catalytic converter equipped vehicles and on pollutant-carcinogen relationships, making the net decrease \$5,000,000. The Committee agrees with the House on the need for more research into catalytic converter emissions and urges the agency to encourage industry to develop alternative technologies for meeting the Clean Air Act standards.

The agency requested a net decrease of \$1,500,000 and 7 positions from the fiscal 1975 level for water quality R&D programs. The Committee concurs with the House in providing an additional \$3,600,000 for the water quality program, to be used to develop ocean disposal criteria, alternate disinfection technologies for waste waters, and cost effective technologies for sludge stabilization and utilization, including land disposal. The House action results in a net increase over the budget estimate of \$2,100,000.

The Committee is aiming for a breakthrough in one of the most advanced federally funded technologies for the pure-burning of solid waste in a pressurized fluid-bed combustor with accompanying energy and resource recovery. Adequate funding for prompt design and construction of a CPU-400 prototype plant is included in the Agency's recommended appropriation.

The agency requested, and the Committee approves, an increase of \$7,600,000 and 11 positions over the 1975 level for health effects and control technology research in support of the new Safe Drinking Water Act.

The agency requested, and the Committee concurs in, a decrease of \$5,200,000 from the 1975 level for the solid waste R&D program. This amount was added by Congress in 1975, but additional funds are not essential in 1976.

The budget request includes a decrease of \$1,000,000 and 45 positions in the radiation R&D program due to narrowing of the scope of the program. In view of the great concern nationwide about the proliferation of nuclear power and the threat to public health and safety posed by the radiation hazards of nuclear waste and the possibility of a major nuclear accident, the Committee questioned the agency in detail about the proposed cuts in EPA research into environmental problems in the radiation area. The agency supplied evidence for the record that high priority radiation programs will be continued and that extensive radiation research programs are being carried out by other Federal agencies, notably ERDA and the Department of Health, Edu-

cation, and Welfare. Nonetheless, the Committee is aware that EPA has the broadest responsibility of any federal agency in the radiation area, in that it encompasses all sources of ionizing and nonionizing radiation, whether environmental or nonenvironmental in nature. The Committee concurs with the House in approving the decreases requested by the agency in the 1976 radiation program, but requests that EPA maintain close scrutiny of Federal research efforts in the radiation field and report back to the Committee regarding any need for additional EPA effort in radiation research in fiscal 1977.

With regard to the noise R&D program, the Committee concurs with the House in approving the agency's request for a decrease of \$500,000 and 2 positions but directs that EPA report back to the Committee on the results of phasing out EPA's noise research effort and relying instead on research in this area carried out by other Federal agencies.

The Committee finds that the Chesapeake Bay is a critically important natural and economic resource but is subject to many pressures which, if uncontrolled, will lead to the degradation of the whole Bay area. The Committee, therefore, directs the Environmental Protection Agency to conduct an in-depth study of the Chesapeake Bay, which shall also be applicable to other estuarine zones. For this study the Committee directs EPA to reprogram \$2,900,000 under this account and further addresses this subject under Abatement and Control.

#### ABATEMENT AND CONTROL

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation.....	\$283,401,000	-----
Estimate, 1976.....	339,700,000	\$77,500,000
House allowance.....	370,766,000	92,639,000
Committee recommendation.....	370,766,000	92,639,000

For Abatement and Control activities, the Committee concurs with the House in recommending an appropriation of \$370,766,000, which is \$31,066,000 above the budget estimate.

The abatement and control program includes planning grants and control agency support grants to State, regional, and local agencies for planning, establishing, and improving environmental quality programs. Programs for the different media include development and implementation of environmental standards, pollution control planning, and monitoring and surveillance to determine baseline quality conditions, to measure pollutants and to evaluate the performance of control devices. Pollution prevention, control, and abatement standards are established in cooperation with State and local agencies, and technical assistance is provided to Federal agencies, States, interstate regions, local communities, and industry. The agency reviews environmental impact statements drawn up by other Federal agencies. Education and training are supported through grants and other forms of assistance and in-house training programs are conducted for personnel of Federal, State and local governments, industry, and educational institutions.

The very substantial increase of \$32.1 million in the Agency's budget for the water quality abatement and control program is due primarily to the fact that the Section 208 areawide water quality planning pro-

gram is being funded directly for the first time rather than through contract authority. This budgeting change has added approximately \$53 million to the overall costs of the water quality program.

The Congress approved a deferral of budget authority for 1975 in the amount of \$9,375,000 for state control agency support grants in the air and water quality programs. The effect of this deferral is to maintain the funding for these programs as requested in the budget at the same level in 1976 as in 1975. However, the Committee concurs in the House increase of \$3,750,000 in State agency grants for air quality, which restores the program to the original 1975 appropriated level of \$55,200,000, and the increase of \$10,000,000 in State control grants for water quality, which restores the program to the 1974 level of \$50,000,000, thus recognizing the importance of promoting State efforts to implement air and water quality standards. These additional amounts represent net increases in funding for these programs in 1976, in view of the aforementioned deferrals.

The agency requested a decrease of \$1,500,000 in academic training grants provided under the air and water quality programs, to begin a phase-out of the academic training grant program. The House approved an increase of \$2 million for academic training grants, which provides \$500,000 more than the 1975 figure. The Senate concurs with the House allowance.

The House bill included \$10,000,000 to continue the "Clean Lakes" program, an increase of \$6,000,000 above the 1975 level. EPA did not request any 1976 funding for this program. The Committee believes this is an important program with a substantial environmental impact, and it concurs with the House allowance.

The Committee concurs in an increase of \$6,000,000 and 300 permanent positions (of which 100 are positions authorized in 1975, but not allowed to be used by OMB, and 200 are new positions added in 1976) for the administration of an accelerated construction grants program.

The budget request and the Committee allowance for the water supply program included a net increase of \$12,800,000 and 81 positions. The total increase is \$16,800,000 and directed toward implementing the various provisions of the Safe Drinking Water Act, which was enacted in December 1974. The increase is offset by a decrease of \$4,000,000 involving a one-time expenditure in 1975 for a demonstrations project at Duluth, Minn.

The agency requested and the Committee approved an increase of \$9,850,000 for higher levels of pesticides registration and tolerance activities and greatly increased support for State certification and applicator training programs. The Committee is concerned about EPA's progress toward meeting the requirement contained in the Federal Insecticide, Fungicide and Rodenticide Act that all presently registered products be reregistered and classified for "general" or "restricted" use by October 21, 1976. The Committee urges the agency to act swiftly in augmenting its efforts to meet this goal.

The budget request included an increase in the noise program of \$4,900,000 and 30 positions to accelerate the development of noise emission standards for surface transportation and other new products and to continue efforts on aircraft and airport regulations proposed to the Federal Aviation Administration for promulgation. The Committee has provided the full amount of the request.

The committee is concerned about EPA proposals to the FAA with respect to noise certification of existing and prospective supersonic aircraft and urges the agency to take full account of all noise pollution and other environmental protection problems connected with the SST in the course of Federal Government review of the implications of regular SST service to the United States.

The Committee directs the Agency to assess the principal factors having an adverse impact on the environmental quality of the Chesapeake Bay, as perceived by both scientist and users, and to direct and coordinate, subsequent to a review of presently ongoing research, research and abatement programs that will most efficiently address those factors.

The Committee further directs the Agency to analyze all environmental sampling data presently being collected on the Chesapeake Bay and to suggest and undertake methods for improving such data collection. The Agency is also directed to establish a continuing capability for collecting, storing, analyzing and disseminating such data. A sampling program should be instituted where deficiencies are found to exist in present sampling programs.

Finally, the Agency should determine what units of government have management responsibility for the environmental quality of the Chesapeake Bay and define how such management responsibility can best be structured so that communication and coordination can be improved not only as between the respective units of government but also between those units and research and educational institutions, and concerned groups and individuals on the Chesapeake Bay. This final facet of the study should review not only ways to improve existing Chesapeake Bay management mechanisms, but also new alternatives which seem promising.

The Committee directs the EPA to reprogram \$2,100,000 to provide funding for 50 additional positions and other expenses for this undertaking on the Chesapeake Bay.

#### ABATEMENT AND CONTROL (LIQUIDATION OF CONTRACT AUTHORITY)

	Fiscal year	Transition period
1975 appropriation-----		
Estimate, 1976-----	(\$26,000,000)	
House allowance-----	(65,000,000)	(19,000,000)
Committee recommendation-----	(65,000,000)	(19,000,000)

The Committee concurs with the House in recommending \$65,000,000 for Areawide Waste Treatment Management Grants for 1976, which is the same as the budget request and the House allowance.

The Areawide Waste Treatment Management Grants program, provided for under section 208 of the Federal Water Pollution Control Act, establishes planning agencies to develop comprehensive plans to control water pollution from municipal and industrial waste water, storm and combined sewer runoff, nonpoint source pollutants, and land use as it relates to water quality. The program is funded through contract authority provided under the Act, which establishes the amounts to be appropriated. These amounts are required to be pro-

vided in appropriations Acts and cannot be amended by the Committees.

Starting with fiscal year 1976, this program will be funded through direct appropriations rather than through contract authority. Thus, this account is being phased out and appropriations for the section 208 program are included in the Abatement and Control new budget (obligational) authority account.

	Fiscal year	Transition period
1975 appropriation-----	\$53,340,000	
Estimate, 1976-----	53,900,000	\$14,000,000
House allowance-----	53,606,000	13,931,000
Committee recommendation-----	53,606,000	13,931,000

The Committee concurs with the House in recommending an appropriation of \$53,606,000 for the Enforcement program at EPA. This figure is \$294,000 below the budget estimate.

This activity includes the enforcement of environmental pollution standards promulgated by EPA under its legislative authorities. It is focused in the areas of air pollution control, water pollution control, and pesticide control. Much of the effort is in support of or in cooperation with State and local enforcement programs such as air quality standards, navigable and interstate water quality standards, and issuance of discharge permits. Enforcement also includes such actions as notices of violations, abatement orders, civil and criminal court actions, and, in the case of pesticides, recalls and seizures. Legal services for the agency come under this activity.

The Committee has agreed with the House in approving the following budget increases for the enforcement effort:

(1) *Air*.—\$1,400,000 and 40 positions to establish a centralized air monitoring facility, to implement a selective enforcement audit program, to ensure compliance by retail gasoline outlets, and to implement an aftermarket parts certification program.

(2) *Water Supply*.—\$100,000 and 5 positions to establish a water quality enforcement program to carry out regulations promulgated under the Safe Drinking Water Act and to begin to assist States in the development of enforcement activities under the Act.

(3) *Pesticides*.—\$125,000 to augment the encouragement of States to take on enforcement responsibilities in the pesticides program.

(4) *Noise*.—\$500,000 and 9 positions to establish a standards performance test facility and to enforce new product noise emission standards for medium and heavy duty trucks and portable air compressors.

(5) *General Counsel*.—\$450,000 and 25 positions to provide for additional General/Regional Counsel staff needed to carry out the expanded and accelerated legal activities arising in connection with EPA programs.

The Committee concurs in a decrease of \$3,750,000 and 151 positions in the Water Quality enforcement program due to the fact that nearly all of the initial permits have been issued under the National Pollutant Discharge Elimination System (NPDES) permit program, thus permitting a shift in program emphasis from permit issuance to compliance monitoring and enforcement.

## BUILDINGS AND FACILITIES

	Fiscal year	Transition period
1975 appropriation		
Estimate, 1976	\$1,400,000	
House allowance	2,100,000	\$500,000
Committee recommendation	2,100,000	500,000

For an appropriation for Buildings and Facilities, the Committee concurs with the House in recommending \$2,100,000 which is the amount of the budget estimate.

This activity includes the design and construction of EPA owned facilities and the maintenance, repair and improvement of federally owned facilities utilized by the agency. The Committee has approved a budgeted increase of \$700,000 to meet the Department of Labor's safety standards under the Occupational Health and Safety Act.

The Committee concurs with the directive contained in the House bill that repair and improvement projects be limited to \$100,000 per project and that projects exceeding this amount not be undertaken by the agency without the specific approval of the House and Senate Appropriations Committees.

The Committee directs EPA to proceed as rapidly as possible to construct the Region X Central Laboratory at Manchester, Wash. The agency has repeatedly expressed need for the facility, and the Committee now expects the agency to proceed rapidly with its construction consistent with those expressions of need. \$1,800,000 is available for the facility from previous appropriations. If EPA determines that amount is insufficient to build the facility, the Committee will expect the agency to submit an additional budget request.

## CONSTRUCTION GRANTS (LIQUIDATION OF CONTRACT AUTHORITY)

	Fiscal year	Transition period
1975 appropriation		
Estimate, 1976	(\$1,400,000,000)	
House allowance	(500,000,000)	(\$600,000,000)
Committee recommendation	(500,000,000)	(600,000,000)

The Committee concurs in the House allowance of \$500,000,000 for the liquidation of contract authority made available by the Federal Water Pollution Control Act, as amended for the construction grants program in fiscal 1976, the amount requested in the budget estimate. Although this is \$900,000,000 less than the \$1,400,000,000 provided for 1975, there is a substantial carryover balance from 1975 owing to inability to obligate the funds available, and the total amount available for obligation is adequate for estimated needs during 1976. The Committee concurs with the House in providing the \$600,000,000 requested for the transition period.

Under the Federal Water Pollution Control Act Amendments of 1972, EPA is authorized to make grants for construction of municipal wastewater treatment facilities to assist States and localities in attaining and maintaining water quality standards. The Act authorized contract authority of \$18 billion for this purpose, but liquidation of this contract authority has proceeded far more slowly than anticipated owing to impoundment of funds. As a result of the recent Supreme Court decision, the entire amount is now available for obligation. As of May 1975, approximately \$4.5 billion of these funds had been obligated.

Amounts approved from authorizations for contract authority are allotted to each State on the basis of formulas set forth in the Act and subsequent legislation. Within these allotments, States assign priorities for the awarding of grants for individual projects. EPA is authorized to provide Federal support up to 75 percent of the eligible costs for construction of municipal wastewater treatment facilities.

The Committee is concerned about the slow pace of obligating and spending of construction grant funds, and the authorizing committees have expressed similar concerns. In view of the need to get the facilities built in order to comply with the goals of the Act, and also in view of the high unemployment rate in the construction industry and the need to put people to work in a period of recession, it is imperative that EPA act to break the logjam and work with state and local governments to get this program going.

## SCIENTIFIC ACTIVITIES OVERSEAS (SPECIAL CURRENCY PROGRAM)

	Fiscal year	Transition period
1975 appropriation		
Estimate, 1976	\$6,000,000	\$1,000,000
House allowance	6,000,000	1,000,000
Committee recommendation	4,000,000	670,000

For the Scientific Activities Overseas (Special Foreign Currency Program) the Committee recommends an appropriation of \$4,000,000. This sum is \$2,000,000 below the House allowance and \$2,000,000 below the budget estimate.

The Scientific Activities Overseas (Special Foreign Currency Program) supports cooperative research and demonstration programs in other countries, using excess currencies available under Public Law 480. No funds were appropriated for this program in 1975. The committee notes that this funding will allow participation in a special cooperative energy related environmental studies program with Poland.

## EXECUTIVE OFFICE OF THE PRESIDENT

## COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

	Fiscal year	Transition period
1975 appropriation	\$2,500,000	
Estimate, 1976	2,750,000	\$700,000
House allowance	2,736,000	697,000
Committee recommendation	2,736,000	697,000

The Committee recommends an appropriation of \$2,736,000 for the Council on Environmental Quality and Office of Environmental Quality. This figure is the same as the budget estimate and the amount contained in the House allowance.

Duties and responsibilities, assigned under the National Environmental Policy Act, the Environmental Quality Improvement Act of 1970, and Executive Order 11514, require the Council to prepare an annual environmental quality report; prepare recommendations to the President on national policies for improving environmental quality; analyze conditions and trends in the quality of the environment; conduct investigations relating to the environment; appraise the effect of Federal programs and activities on environmental quality; evaluate

the effects of technology; recommend to the President and to Federal agencies priorities in environmental programs; promote the development and use of indices and monitoring systems; and advise and assist the President and agencies in achieving international environmental cooperation—under the foreign policy guidance of the State Department.

#### GENERAL SERVICES ADMINISTRATION

##### CONSUMER INFORMATION CENTER

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$996,000	
Estimate, 1976-----	1,056,000	\$264,000
House allowance-----	1,054,000	264,000
Committee recommendation-----	1,054,000	264,000

The Committee concurs with the House in recommending \$1,054,000 for fiscal year 1976, which is a decrease of \$2,000 below the budget estimate to reflect a 10-percent reduction in the requested payment to the General Services Administration for space rental charges.

The Consumer Information Center was established by Executive Order in October 1970 to operate within the General Services Administration but under the policy guidance of the President's Special Assistant for Consumer Affairs. The Center has two primary responsibilities: (a) to encourage Federal departments and agencies to develop and release relevant and useful consumer information, and (b) to increase public awareness of and access to this information. To meet these responsibilities, the Center engages in liaison with Federal agencies to generally consumer-oriented publications, distributes the Consumer Information Index and a wide range of other publications, and does media promotion to inform the public of the materials available from the Center. In addition, the Center conducts surveys, contacts non-Federal consumer leaders, and monitors publication requests in order to determine current informational wants and needs and to assess the effectiveness of the Center's activities.

The Committee is concerned about reports that the Government Printing Office is requiring the Center to charge excessively high prices for many of its publications, causing a decline in requests for these publications and reducing the agency's effectiveness in getting information to consumers, especially lower income people. The Committee understands that the Joint Committee on Printing is studying this problem and urges the Center to work with the Joint Committee and with the Government Printing Office and other Federal agencies involved to correct this situation and report back to the Committee on the results of these efforts.

#### DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

##### OFFICE OF CONSUMER AFFAIRS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$1,465,000	
Estimate, 1976-----	1,488,000	\$385,000
House allowance-----	1,488,000	372,000
Committee recommendation-----	1,488,000	372,000

The Committee concurs with the House in providing \$1,488,000 for the Office of Consumer Affairs, which is the amount of the budget request. The committee also concurs with the House in recommending \$372,000 for the transition period. This figure is \$13,000 below the budget estimate.

The Office of Consumer Affairs was established by Executive Order 11583 of February 24, 1971, as amended, and was transferred to the Department of Health, Education, and Welfare by Executive 11702 of January 25, 1973. The Office functions as the principal advisor to the Secretary of HEW on consumer matters and as support staff to the Special Assistant to the President for Consumer Affairs. Activities of the Office include consumer education, consumer complaint handling, encouraging resolution of consumer problems through voluntary industry action and by state, local and foreign governments, and providing consumer participation in the development and execution of Federal programs and legislation.

#### NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

##### RESEARCH AND DEVELOPMENT

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$2,331,015,000	
Estimate, 1976-----	2,678,380,000	\$730,600,000
House allowance-----	2,628,980,000	700,600,000
Committee recommendation-----	2,685,380,000	700,600,000

The Committee recommends an appropriation of \$2,685,380,000 for the Research and Development program of the National Aeronautics and Space Administration. This figure is \$7,000,000 over the budget estimate and \$56,400,000, over the House allowance. The Committee also recommends an appropriation of \$700,600,000 for the Transition period. This sum is \$30,000,000 under the budget estimate and the same as the amount contained in the House-passed bill.

\$72 million of the Research and Development appropriation was deferred in fiscal year 1975, with obligation to be made in fiscal year 1976. These funds, are planned for obligation early in the new fiscal year.

The National Aeronautics and Space Administration program of Research and Development is directed toward advancing our knowledge of earth and its space environment, as well as toward developing and utilizing aeronautics and space technology to accomplish national goals. The following activities are supported by the budget of the Research and Development activity:

*Manned Space Flight.*—A program to develop and utilize the capabilities of manned space flight, including an international cooperative space docking mission, building on the success of Apollo and Skylab, and development of the Space Shuttle as an economical, versatile space transportation system to provide a wide variety of users with routine, round trip access to space.

*Space Science.*—A space flight program, supported by extensive ground-based and airborne investigations, to further our knowledge of the earth, the atmosphere, the moon, the sun, the planets, interplanetary space, and the stars.

*Applications.*—A research and development program using space, aircraft, and ground systems to identify and demonstrate the useful applications of space techniques in such areas as weather and climate, pollution monitoring, earth resources survey, earth and ocean physics, communications, and space processing.

*Aeronautics and Space Technology.*—A program to acquire fundamental knowledge and develop the technology needed to maintain United States leadership in aeronautics and space programs.

*Tracking and Data Acquisition.*—A worldwide program to support the manned and unmanned programs of the agency.

*Energy Technology Applications.*—A program to assist in insuring the attainment and maintenance of national energy self-sufficiency, designed to identify aeronautics and space technologies of importance to the energy community.

*Technology Utilization.*—A program to accelerate the dissemination to government, industry and other users of the technological and engineering information gained during NASA missions.

The Committee has restored the \$48,400,000 contained in the budget but cut by the House for Pioneer Venus. Pioneer Venus is a two-spacecraft mission to Venus, scheduled for launch in 1978, with one spacecraft going into orbit about the planet to conduct long-term observations while the second spacecraft releases four probes to make detailed measurements in the atmosphere. A complement of instruments will return extensive scientific data on the atmosphere of Venus, much of which is expected to be applicable to the prediction of various dynamic phenomena in the Earth's atmosphere, including weather, climate changes, and certain atmospheric pollution effects.

The Pioneer Venus project was initiated under authorizations and appropriations approved for fiscal year 1975, having been deferred for two years because of budgetary constraints although NASA and its scientific advisors considered it the top priority next step in the exploration of the inner planets. It was budgeted for fiscal years 1975 and 1976 both because of its high scientific priority and because the 1978 launch opportunity is more favorable than the next opportunities in 1980 and later. Venus will be closer to the earth in 1978 and, therefore, less energy to reach it is required, and the spacecraft can therefore be designed to maximize the science return and take advantage of the economies possible with a lower energy mission. Deferring the Pioneer Venus mission to the 1980 opportunity would force NASA to start over again with a new spacecraft design with reduced weight and lesser scientific capabilities. It is estimated that a Pioneer-Venus launch in 1980 would cost at least \$50 million more than the program now planned.

The Committee has restored the \$1,000,000 cut by the House from the \$5,000,000 requested for continued studies of the Large Space Telescope. This will fund continued Large Space Telescope definition studies and advanced technological development required to define an optimum design at minimum cost. NASA does not intend to recommend development of the LST until the technical and scientific capabilities and cost options connected with this project are fully assessed.

The Congress recently passed legislation giving NASA the lead agency role for carrying out a program of research, technology, and monitoring for the purpose of understanding the physical and chem-

ical processes of the upper atmosphere. For this program the Congress authorized to be appropriated \$14,000,000 for fiscal year 1976; \$7,000,000 more than contained in the NASA budget request and the House bill. To carry out the intent of the Congress the Committee has added an additional \$7 million making a total of \$14,000,000 available for the upper atmosphere research, technology and monitoring program, with special emphasis on the current questions that have been raised about the depletion of stratospheric ozone. Further, it is the intent of the Committee that this program be funded during the transition period at a level consistent with the fiscal year 1976 funding level.

Finally, by the time this report is published for the Members, the joint U.S.-U.S.S.R. Apollo-Soyuz Test Project will be history. Some of the Members of the Committee had reservations about the mission in terms of its potential safety hazards and high cost. The Committee feels that it should, in the future, as it has in the past, be notified well in advance of any future joint U.S.-U.S.S.R. space ventures so that an accurate assessment of the potential benefits and costs can be made.

#### CONSTRUCTION OF FACILITIES

	Fiscal year	Transition period
1975 appropriation -----	\$140,155,000	-----
Estimate, 1976 -----	84,620,000	\$14,500,000
House allowance -----	82,130,000	10,750,000
Committee recommendation -----	82,130,000	10,750,000

The Committee recommends an appropriation of \$82,130,000 for NASA's Construction of Facilities program. This total is \$2,490,000 under the budget estimate and the same as the amount contained in the House-passed bill. The Committee also recommends \$10,750,000 to fund this activity during the Transition period. This sum is \$3,750,000 under the budget request and the same as the House allowance.

This appropriation provides for contractual services for the design, major rehabilitation, and modification of facilities; the construction of new facilities; minor construction; the purchase of related equipment and advanced design related to facilities planned for future authorization.

The program for 1976, in many aspects, reflects a continuation of prior years' endeavors, especially in regard to:

- (a) Space shuttle facilities.
- (b) Facility rehabilitation and modification and minor construction programs.
- (c) Facility planning and design.

*Space Shuttle Facilities.*—The purpose of these projects is to modify and add to existing Government-owned facilities and to construct those limited new facilities necessary to support the space shuttle program. As in prior years, this shuttle facility package includes all major facility requirements which are unique to the space shuttle program. All requirements are tied to a shuttle program milestone or "need date". Included in this package are all facility requirements needed to achieve that initial operational capability or capacity as set forth in the project documentation and/or the outline assumptions on which total shuttle facility needs have been based and projected.

*Rehabilitation and Modification of Facilities.*—This program is intended to provide for the rehabilitation and modification of facilities at NASA field installations and Government-owned industrial plants engaged in NASA activities. Included in this project are those priority rehabilitation and modification facility needs for FY 1976 which can be foreseen at the time of the submission of these estimates, and which are estimated to cost not in excess of \$500,000 per project. The purpose of this program is to protect, preserve, and enhance the capabilities and usefulness of existing NASA facilities, and to insure the continued safe, economical, and efficient use of these physical plants. While, in the past, this particular program has been specifically directed toward the general nonprogrammatic segments of NASA facilities, this is the fourth year in which additional attention has been given to facility modification requirements generated by specific programs or projects.

*Minor Construction Programs.*—The purpose of this element of the Construction of Facilities program is to provide for minor facility construction at NASA field installations and at Government-owned industrial plants engaged in NASA activities. This provides for minor facility projects involving the construction of new facilities or additions to existing facilities, each project of which is estimated to be not in excess of \$250,000. Such minor construction is necessary in fiscal year 1976 to further improve the usefulness of NASA's physical plant by making it possible to accomplish needed adjustments in the utilization and augmentation of its capabilities.

*Facility Planning and Design.*—The funds requested in this estimate are required to provide for the following advance planning and design activities related to facilities activities and projects:

- (a) The accomplishment of necessary development and master planning for field installations and, where not otherwise provided for, the updating of record drawings and the provision of engineering services.
- (b) The preparation of preliminary engineering reports, cost estimates, and design and construction schedules.
- (c) The preparation of final construction contract plans, specifications, and associated cost estimates and schedules that are required to implement construction projects.
- (d) The accomplishment of facilities siting and other investigations, as well as the accomplishment of special facilities studies and reports.

The Committee agrees with the House action denying \$2,490,000 for an addition to the Lunar Sample Curatorial Facility at the Johnson Space Center. The agency itself acknowledges, in its response to the House bill, that the decrease of \$2,490,000 is consistent with the deferral of this project by the authorizing committees. The Committee also concurs with the House's reduction of the Transition Period budget for Construction of Facilities to the level contained in the authorization bill.

Finally, the Committee agrees that funding for modification of the 40x80 foot wind tunnel at the Ames Research Center be denied until the Committee has had an opportunity to review the necessary funding in a formal budget request.

## RESEARCH AND PROGRAM MANAGEMENT

	Fiscal year	Transition period
1975 appropriation -----	\$759,975,000	-----
Estimate, 1976 -----	776,000,000	\$213,800,000
House allowance -----	775,512,000	213,678,000
Committee recommendation -----	775,512,000	213,678,000

For Research and Program Management, the Committee recommends an appropriation of \$775,512,000. This is \$488,000 under the budget estimate and the same as the amount provided for in the House bill.

The Research and Program Management appropriation funds research in Government laboratories, management of programs, and other agency activities. Principally, this appropriation provides for (1) the civil service staff needed to perform in-house research, and to plan, manage, and support the Research and Development programs; and (2) the other elements of operational capability of the laboratories and facilities such as utilities, logistics support (travel and transportation, maintenance, and operation of facilities), and technical and administrative support.

The in-house personnel funded by the Research and Program Management appropriation are engaged in research and technology, and direct and indirect support of project work. Over three-fourths of this appropriation is required to cover salaries and related costs of these employees. The balance, consisting of travel, facilities services, technical services, and administrative support of all NASA installations, provides the test and operational facilities support and related goods and services which make possible the efficient accomplishment of NASA's approved missions.

The reduction in funding below the budget estimates represents a ten percent cut in GSA rental charges.

The Committee held a special hearing to discuss NASA expenditure of funds in connection with the proposed relocation of the Naval Oceanographic Office to the National Space Technology Laboratories. The Committee has been assured by NASA that all funds expended by NASA in connection with this move and associated with the Naval presence and use of facilities at NSTL will be fully recovered by NASA and points out that any NASA subsidy of true costs connected with either the move or the occupancy by the Navy would be improper.

It is the Committee's intent that any NASA funds expended on structural modifications, capital equipment relocations, or personnel relocations at NSTL in connection with the Navy move be scheduled for complete recovery by NASA within a 3-year period from the time the Navy becomes a principal tenant at NSTL. It is the Committee's understanding that NASA will charge the Navy, in the form of annual rent, the full amount of operating costs associated with the Naval presence at NSTL. The Committee will expect a report from NASA within 9 months of the date of the signing of this bill into law listing all NASA expenditures made in connection with the relocation of the Naval Oceanographic Office, the schedule for recovery of these expenditures and the schedule of rents charged to the Navy reflecting the cost of maintaining the facilities occupied by the Naval activities and any other costs connected thereto.

## NATIONAL SCIENCE FOUNDATION

## SALARIES AND EXPENSES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation -----	\$711, 570, 000	-----
Estimate, 1976 -----	751, 400, 000	\$167, 200, 000
House allowance -----	707, 100, 000	167, 134, 000
Committee recommendation -----	713, 100, 000	167, 134, 000

The Committee recommends an appropriation of \$713,100,000 for Salaries and Expenses of the National Science Foundation. This appropriation is \$38,300,000 under the budget estimate and \$6,000,000 over the amount contained in the House bill. The Committee is also recommending an appropriation of \$167,134,000 for the Transition period, which is \$66,000 under the budget estimate and the same as the House allowance.

It should be noted that the National Science Foundation's fiscal year 1976 budget does not include budget authority of \$20 million that was deferred in fiscal year 1975 as one of several special actions proposed by the President to restrain 1975 outlays and will be available in fiscal year 1976 in addition to the funds provided in this bill. This deferral, when added to the Committee approved figure of \$713,100,000 brings the total funds available to the Foundation in fiscal year 1976 to \$733,100,000.

The National Science Foundation is the principal Federal basic research agency concerned with insuring that the United States maintains a strong and productive scientific research program. NSF supports basic and applied research projects initiated by scientists throughout the country and at present is funding more than 18,000 projects. The selection, monitoring and evaluation of these projects are the central daily tasks of the National Science Foundation staff.

The programs of the National Science Foundation are designed to meet the responsibilities assigned to NSF by the National Science Foundation Act of 1950 as amended and Title IX of the National Defense Education Act. The National Science Foundation's programs as authorized by these laws:

Strengthen U.S. scientific research in the mathematical, physical, medical, engineering, biological, social and other sciences.

Focus an appropriate fraction of U.S. science resources on selected current national problems.

Strengthen science education programs at all levels.

Stimulate international scientific cooperation between U.S. and foreign scientists.

Assist in providing the Nation with highly trained scientists and engineers through a program of fellowships for science and engineering.

Establish a Science Information Service and make science information more readily available to U.S. scientists and engineers.

Appraise the impact of research upon industrial development and the general welfare.

Gather and publish scientific and technical data pertinent to national science policy decisionmaking.

The Committee continues to be concerned over the Foundation's tendency to fund what seems to be low-priority research in the social sciences, and, equally important, its failure to be more responsive in explaining its program to the average American taxpayer.

The Committee acknowledges that the National Science Foundation has studied the social science program internally through the use of a staff group on social science research and through the Director's Program Reviews. At the same time, the National Science Board has established a subcommittee to examine social science programs and the NSF Advisory Committee for Research has formed a social sciences task group to evaluate the successes and failures in this discipline. Although these in-house studies are useful "first steps," the Committee is more encouraged by NSF's recent decision to contract with an outside agency—the National Academy of Sciences—to conduct an in-depth study of the National Science Foundation's social science programs. The Committee hopes an objective analysis of the problems associated with the social science research programs will complement the NSF staff and committee studies and pave the way toward improving both the basic and applied social science research effort at NSF.

Although the Committee does not recommend granting Congress veto authority over individual research projects, it does feel that NSF's lack of concern for public understanding of scientific research is detrimental to the average American taxpayer who wants to know how his money is being spent. The Committee does not feel that the Congress should pass judgment on every project title, but the academic and scientific communities have an obligation to the layman to be able to communicate, in plain, simple English what their objectives are, what they hope to find out, and what the potential benefits could be to the "man on the street." The Committee, therefore, feels that it is up to the National Science Foundation to demand this degree of responsiveness from its grantees and increase its effort in explaining to the taxpayers how their hard-earned dollars are being invested in scientific research.

Along these same lines, several Member of Congress on both sides of the Capitol have expressed their concern over the "closed door policy" of NSF's peer review system. The Committee can understand the well-intended desires of these Members to "open" the grant review system and let the public and principal investigators know who is reviewing the proposals and what comments those reviews contain. However, the Committee feels that the Foundation has taken a significant step in resolving the controversy between advocates of "openness" and defenders of "confidentiality." On June 20, 1975, the National Science Board resolved that:

1. The Foundation will publish annually a list of all reviewers used by each Division.

2. Program officers should seek broadly representative participation of qualified individuals as reviewers.

3. Verbatim copies of reviews requested by the Foundation after January 1, 1976, not including the identity of the reviewer, will be made available to the principal investigator/project director upon request. The question of including the identity of the reviewer will be considered further by the National Science Board.

4. The Foundation, upon request, will inform the principal investigator/project director of the reasons for its decision on the proposal.

The Committee applauds this initiative by the NSB and hopes that NSF's implementation of the Board directive will include a broader representation of the smaller yet equally qualified colleges and universities on NSF review and advisory panels.

The Committee remains keenly aware of the need for the Foundation to improve its methods of coordinating research with other federal agencies, disseminating research results to actual or potential users, and evaluating the quality and utility of final research results. The Committee recognizes the recent establishment of the Office of Planning, Coordination and Evaluation, under the direction of the Assistant Director for Research, as a step in the right direction. Nevertheless, the Committee reiterates its hope that this interim solution to a pervasive problem at NSF will only be a first assault on the problems surrounding these crucial responsibilities of the agency.

Finally, the Committee is pleased to acknowledge that the Foundation has recently announced a comprehensive reorganization of its program management structure. Included in the reorganization is the expansion of the basic research directorates from the present single directorate to three directorates. NSF intends to add an Assistant Director to help improve the management of the social sciences basic research program and to re-emphasize the need for a more comprehensive treatment of the biological sciences. This should result in increased attention to NSF's food science program at a time when such research is so critical in solving the world hunger problem.

The Committee has earmarked funding for certain activities within major programs. For example, \$4.5 million has been earmarked for earthquake engineering in concurrence with the House. However, in many instances no specific level of funding has been established despite the fact that minima have been set in the authorization legislation. The Committee has concurred with language added to the bill by the House applying to these programs requiring a proportionate allocation of funds based upon the proportionate allocation established in the authorizing bill. However, the Committee has added language making it clear that this system of proportionate allocation applies to individual activities within programs.

*Scientific Research Project Support.*—The Committee still feels strongly that the funding of basic research projects, especially in the so-called "hard sciences" is the most important responsibility of the Foundation. To allow an adequate level of support for Scientific Research Project Support programs, the Committee recommends an appropriation of \$362,000,000, which is \$18,000,000 under the budget estimate and \$17,000,000 over the House allowance. The Committee directs that this reduction in the Foundation request be applied most heavily in the social sciences research project support subactivity.

The primary activity of the National Science Foundation is to support a comprehensive program of basic research. The objective of the Scientific Research Project Support (SRPS) Budget Activity is to promote the progress of science and thereby insure the continued scientific strength of the Nation. Toward this objective, SRPS is support-

ing a substantial portion of the Nation's fundamental research across a broad base of scientific disciplines. Expansion of scientific understanding will advance progress on solutions to major problems confronting the Nation and the world such as those centering on energy, food, other natural resources, productivity, and environmental quality.

*National and Special Research Programs.*—For National and Special Research Programs at NSF, the Committee recommends an appropriation of \$102,900,000. This figure is \$4,100,000 under the budget estimate and \$2,000,000 over the amount contained in the House-passed bill. This increase over the House figure should be applied to the Ocean Sediment Coring Program; making the total amount available for this program, \$12,500,000.

The National and Special Research Programs of the Foundation are major research efforts which relate to specific geographic areas or are of such a broad scope or magnitude that extensive coordination of planning funding, evaluation and logistic support are essential to ensure maximum effectiveness and efficiency in program performance. Some of the programs, such as the U.S. Antarctic Research Program, involve extensive international cooperation in the planning and conduct of the research efforts, as well as coordination and cooperation with other U.S. governmental agencies. The Committee directs that the reduction in the budget estimate not be applied to the Man-in-the-Arctic program.

NSF is requesting, and the House has approved, the purchase of two ski-equipped LC-130R aircraft to provide access and logistics support for the Antarctic programs. In light of the agency's assessment that to convert USAF C-130D aircraft to ski-equipped aircraft would be considerably more expensive than to procure 2 new LC-130R's, the Committee concurs with the \$18,000,000 in the National and Special Research Program for this purchase.

The Committee feels that the United States is paying a disproportionate share of the world-wide effort in the National Science Foundation's Ocean Sediment Coring Program. The Committee strongly endorses these cooperative, international scientific activities, but the participating countries should be in a position to pay a more equitable share of the costs involved in these projects.

Under National and Special Research Programs, the Committee concurs with the House that not more than \$6,000,000 shall be used for Science Information Activities.

*National Research Centers.*—For support for the development and operation of five National Research Centers, the Committee recommends an appropriation of \$59,000,000. This sum is \$1,200,000 under the budget estimate and the same as the amount recommended by the House. Included in the total amount available for National Research Centers in fiscal year 1976 is \$2,000,000 that was deferred in fiscal year 1975. This deferral included \$500,000 for equipment and instrumentation for astronomy observatories, \$1,000,000 for components of the Very Large Array telescope, \$450,000 for equipment and instrumentation at the National Center for Atmospheric Research, and \$50,000 for construction at the Cerro Tololo Inter-American Observatory.

The Foundation requested an increase in fiscal year 1976 of \$9,800,000 over the fiscal year 1975 Current Plan. Of the total, \$3,150,000

is required to expand the computing facility at NCAR to meet the computational requirements of the atmospheric sciences community over the next five years. Construction of additional space at NCAR to house the computer will require \$1,200,000. Rising costs of conducting research and new research activities at NCAR will require an additional \$1,900,000. An increase of \$2,450,000 is needed for the four national astronomy centers, is primarily caused by an estimated seven percent increase in operational costs. An additional \$1,100,000 is needed for scheduled VLA costs.

The Committee concurs with the House action, directing NSF to consider support costs in several areas in each center as a possible area for application of the budget reductions.

It is the hope of the Committee that the Foundation will continue to closely monitor the operations of the National Center for Atmospheric Research, a facility where over the years there have been some very serious management problems.

*Research Applied to National Needs*—In support of this program, the Committee recommends an appropriation of \$65,000,000, which is \$6,500,000 under the budget estimate and \$5,000,000 over the House allowance. In addition to the total appropriation for fiscal year 1976 in this activity is \$8 million that was deferred in fiscal year 1975 for Disaster and Natural Hazard Research including the areas of Earthquake engineering, fire research, and solar and geothermal energy research.

The Foundation's program of Research Applied to National Needs (RANN) focuses U.S. scientific and technical resources on selected problems of national importance for the purpose of contributing to timely, practical solutions. RANN serves as a bridge between the Foundation's basic research programs and the development, demonstration, and operational programs of Federal mission agencies, State and local governments, and industry.

With the energy research role of the Foundation substantially reduced in fiscal year 1976, it is the hope of the Committee that the agency will focus its attention and funding priorities on other pressing national needs.

The Committee concurs with the House language in the bill, stating that not more than \$24,000,000 shall be used for the Environmental Research Program in RANN. This \$24,000,000 for the Environmental Research Program in RANN shall include not more than \$4,500,000 for earthquake engineering.

*Graduate Student Support*.—The primary objective of the Graduate Student Support activity is to ensure the continued scientific strength of the Nation by helping to provide a continuous flow of a modest number of the Nation's most talented graduate students in the sciences who will obtain the education necessary to form part of a cadre of first-line researchers needed by our technologically based society. Accordingly, the Graduate Fellowship Program supports graduate students of the highest ability in all fields of science.

As in fiscal year 1975, one objective of this activity will be to emphasize scientific and engineering training for students who will increase the research manpower needed to meet the Nation's energy problems. The Foundation's Graduate Traineeships and Postdoctoral Fellowships specifically support this objective.

The Committee concurs with the language in the House bill that states that no more than \$15,000,000 shall be used for Graduate Student Support.

*Science Education*—For Science Education Improvement activities at NSF, the Committee is recommending an appropriation of \$41,000,000. This figure is \$9,000,000 below the budget estimate and \$19,000,000 under the amount contained in the House bill. The Committee agrees with the House that funds available for such Science Education programs and deferred in fiscal year 1975 shall be available in fiscal year 1976. In addition to the \$5,500,000 deferred for the institutional support program, which may be used for science education activities the Senate action will make \$50,500,000 available which is \$3,500,000 less than NSF planned to obligate in fiscal year 1976. In addition, the Committee concurs with the House action denying funds for the Instructional Improvement Implementation program and with reapplication of the \$9,200,000 available for this program to supplement the funds available, proportionately, for other programs within Science Education.

The Committee agrees with the House that not more than \$1,000,000 shall be used for a program of Ethical and Human Value Implications.

The Committee concurs with the sentiment expressed in the House report regarding the controversy surrounding the pre-college science curriculum development program. It is certainly not the intention of the Committee to erect legislative barriers in the path of innovative science curriculum; however, at a time when Federal dollars are scarce and the public is particularly sensitive to changes in the traditional educational curriculum being adopted by school systems, the Committee urges the Foundation to make a commitment to be more responsive and sensitive to the taxpaying parents whose children will be affected by these new, value-oriented social science courses.

In this same vein, the Committee recognizes the fine distinction between "orientation" and "implementation" in the area of science education, but nevertheless shares the House concern that the federal government should not be in the business of marketing curricula developed with tax dollars nor in the habit of funding efforts by developers to do the same. Federally supported curriculum development projects should rise or fall on their merits and the government should not be a party to influencing the school systems' decision to adopt or not to adopt a particular program for its pupils. Therefore, the Committee agrees that no funds should be included in the bill in fiscal year 1976 for the implementation of courses being developed under the "Instructional Improvement Implementation" line items in the elementary and secondary school programs under the general heading of "Science Education Improvement" at NSF.

During the course of the budget hearings on the fiscal year 1976 budget of the National Science Foundation, the Committee learned that there is a potential bookkeeping problem connected with the Science Education Improvement program's handling of grantee royalty accounts. Grant recipients in this program receive funds from the Foundation, some of which go toward the production of trial educational materials. These materials are subsequently distributed to trial users and the grantee may charge enough to cover his

costs, plus an additional amount to allow him to continue his work. The researchers then may use the income from these materials to produce a second set of educational materials, without having to go back to NSF for continuation grants. Once the materials have been perfected, they are often sold commercially to publishers and the royalties accrue to the grantee, who in many cases is authorized by NSF to hold onto this income for use to cover further expenses associated with the grant. According to NSF records, the gross income from the sale of trial materials reported by grantees for the period July 1, 1969, to December 31, 1974, was over \$5.6 million and, as of April of this year, over \$1,000,000 is currently being held in royalty accounts by grantees.

What this system does is to allow the grantees to bypass the appropriation process and the grant review process at NSF by permitting the use of this additional money to supplement the initial grant without going through further review by the agency. Furthermore, there appear to be no internal controls at NSF to prevent an unscrupulous grantee from placing the royalty money in an interest-bearing account, converting interest dollars to his private use and returning the principal when there is an accounting. One hopes this situation does not exist, but there should be safeguards to assure complete control over every dollar that is outstanding.

Therefore, the Committee believes that the present system of allowing grantees to hold onto the royalty income generated by the sale of federally-developed educational materials is improper and should be terminated. At the same time, the Committee directs the Foundation to collect all monies being held in such accounts.

The Committee by no means is accusing the Foundation of any impropriety in this matter, but the grantees have been given too large a degree of flexibility. Money held in royalty accounts should be returned to the agency and subsequently to the Treasury. If further grant moneys are needed by the grantees, they should be provided by NSF through the regular channels of funding.

*Planning and Policy Studies.*—The objectives of the Foundation's Planning and Policy Studies activities are to:

Illuminate science policy issues and existing and impending problems bearing on science policy.

Provide the factual data and analytical bases for sound decisions leading to the development of effective policies and improved plans for the advancement and utilization of science and technology.

Provide information for use by NSF, the President's Science Adviser, and other governmental and nongovernmental bodies in assessing problems, evaluating alternatives, establishing priorities, and developing recommendations regarding NSF and national science activities.

Provide data on national technical manpower and financial R&D resources expended for energy research and development to assist in assessing current and planned programs designed to help meet the nation's energy requirements and to contribute to the achievement of U.S. independence of foreign sources of energy.

*Science Advisory Activities.*—Reorganization Plan No. 1 of 1973 abolished the Office of Science and Technology and transferred to

the Director of the National Science Foundation all functions vested by law in the Office of Science and Technology. Under that Reorganization Plan, the Director of NSF has been designated as Science Adviser, Chairman of the Federal Council for Science and Technology (FCST) and Chairman of the President's R&D Advisory Council.

The Science and Technology Policy Supporting Studies and the Energy R&D Policy Research program subactivities provide the analytical basis for policy formulation in support of Director in his Science Adviser's role and serve through the Director as a source of independent advice for use by the Executive Office of the President and other Federal agencies.

*Program Development and Management.*—For Program Development and Management, the Committee recommends an appropriation of \$41,000,000, which is \$700,000 under the budget estimate and the same as the amount contained in the House bill. The Program Development and Management (PD&M) activity provides for the operation, support, management and direction of all NSF programs and activities previously described, and includes all necessary funds to develop, manage, and coordinate these program activities. It includes salaries and operational expenses of all NSF employees. Also included is the staff and operational support for the Director of the Foundation in his role as the President's Science Adviser and Chairman of the Federal Council for Science and Technology and all expenses of the National Science Board.

*Other Science Activities.*—The Committee has increased funding provided by the House for Intergovernmental Science and Research Utilization to \$5,000,000 of which not more than \$3,000,000 shall be for Intergovernmental Science. The Intergovernmental Science and Research Utilization (ISRU) Activity combines the Intergovernmental Science Program (ISP) and the R&D Incentives (RDI) program into a comprehensive effort designed to increase scientific capability and the utilization of science and technology in the public and private sectors.

SCIENTIFIC ACTIVITIES (SPECIAL FOREIGN CURRENCY PROGRAM)

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$4, 850, 000	-----
Estimate, 1976-----	4, 000, 000	\$500, 000
House allowance-----	4, 000, 000	500, 000
Committee recommendation-----	4, 000, 000	500, 000

The Committee recommends an appropriation of \$4,000,000 to fund the National Science Foundation's Special Foreign Currency Program. This amount is the same as both the budget estimate and the amount contained in the House bill. The Committee also recommends a figure of \$500,000 for the transition period.

The objective of the Special Foreign Currency Program is to strengthen the U.S. scientific and technical potential by supporting travel and cooperative scientific activities of mutual benefit to the United States and the cooperating foreign countries. The activities supplement our domestic research effort through the use of U.S.-owned foreign currencies and permit access to unusual research environments and facilities. Also, they promote the exchange of information between

U.S. and foreign scientists and provide for the translation into English of foreign scientific and technological literature for distribution to U.S. scientists.

#### SELECTIVE SERVICE SYSTEM

##### SALARIES AND EXPENSES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$45,000,000	-----
Estimate, 1976-----	47,887,000	\$9,300,000
House allowance-----	40,000,000	8,300,000
Committee recommendation-----	33,000,000	6,850,000

For Salaries and Expenses of the Selective Service System, the Committee recommends an appropriation of \$33,000,000, which is \$14,887,000 below the budget estimate and \$7,000,000 below the House allowance. Of this total, the Committee recommends that \$3 million be programmed for the administration of the Reconciliation Program.

The 1976 program adjustments include the development of alternate registrant processing procedures designed to maintain the System's induction capability to meet Department of Defense manpower requirements in a major military crisis while reducing the System's cost. Local board operations will be phased down after new procedures for the standby system are tested and found to be effective. Under the proposal for these new procedures, an annual registration test will be implemented and evaluated early in 1976. Classification activity will be deferred commencing early in the second half of the fiscal year and not reinstated until induction authority is requested by the President. These changes are being designed to decrease operating costs beginning in the transition period. Funds required to administer the Reconciliation Service Program for returned Vietnam era draft evaders and deserters are separate and distinct from those necessary for the standby organization and are to support a separate mission assigned to the System by the President per Executive Order 11804.

The Selective Service System's mission in standby since inductions ceased in 1973 has been to register all persons required to be registered under the Military Selective Service Act and to do so with a reduced organizational structure but one which will have the capability to expand and be reconstituted into an operational system to provide inductees to the Department of Defense in numbers and time necessary to fulfill emergency mobilization manpower requirements as may be prescribed by the Secretary of Defense, with a minimum of notice.

The all-volunteer army is working so well that the Department of Defense has determined that there is no need for a draft through the 1980's or as far into the future as they can see. The number and quality of volunteers is improving annually and all four services have met their recruiting goals or are very close. Also, the average initial term of service has gone up, demonstrating satisfaction by the volunteers with the system.

Last year the feeling of the Committee was that the Selective Service System should accelerate winding down its operations. In light of

the very encouraging report of the Secretary of Defense and our strong military manpower potential in case of all-out war, (2 million active and 1 million Reserves), the Committee feels that the Selective Service System should continue a phase-out of its activities and aggressively pursue alternative means of maintaining a stand-by draft system at substantially reduced cost to the taxpayers. The use of public high schools as registration sites has frequently been mentioned as a possibility and the Committee hopes that the Selective Service System will continue to explore other methods of reducing its budget.

*Reconciliation Program.*—On September 16, 1974, the President signed Proclamation 4313 announcing a program for the return of Vietnam era draft evaders and military deserters. The terms of this program give young Americans who violated the Selective Service Law by evasion, or the Uniform Code of Military Justice by desertion, the opportunity to earn return to their country, their communities, and their families, upon their agreement to a period of alternate service in the national interest, together with an acknowledgment of their allegiance to the country and its Constitution. The alternate service program is administered under the auspices of the Director of Selective Service and funds therefor are included in the budget request in Activity Six. However, it should be noted that the role of the Selective Service System in the Reconciliation Program should end before the end of the fiscal year.

When the Selective Service System Director appeared before the Subcommittee on May 2, 1975, he was unable to give any justification for the \$6 million estimate targeted to support the President's Reconciliation Program. In fact, Mr. Pepitone stated that after three months of operations, only \$750,000 had been expended on the Clemency Program.

In light of the low level of operations in the Reconciliation Program, the Committee concurs with the House decision not to earmark any funds for the Reconciliation Program in the bill. The Director of the Selective Service System should use funds out of the general Salaries and Expenses appropriation for fiscal year 1976 for this activity. However, in reducing funding for this agency substantially below the budget request, the Committee has taken into account the low level of operation of the Reconciliation Program thus far.

#### VETERANS ADMINISTRATION

The Veterans Administration budget makes up by far the largest portion of the entire HUD-Independent Agencies bill in terms of outlays. While the contract authority provided to the Department of Housing and Urban Development makes the Department's programs seem to be massive, more than two-thirds of the outlays made as a result of the passage of H.R. 8070 will be paid by the Veterans Administration to benefit men and women who have served in the Armed Forces and their families and survivors.

The great bulk of these payments are uncontrollable. They are entitlement dollars that are due and owing to our veterans because of programs created by authorizing legislation. Last August the Congress passed legislation appropriating about \$14 billion for VA pro-

grams. A look at the tables in the back of this report will indicate that we have since added \$2.3 billion to that initial figure in supplemental appropriations legislation. The need for additional appropriations was not foreseen last August. It arose because of additional benefits conferred by authorizing legislation as well as an unprecedented demand for benefits caused in part by economic conditions. Almost all of the \$2.3 billion increase in fiscal 1975 was uncontrollable.

Today as we struggle with target budgets and attempt to hold down Federal spending we must reflect on the possibility that additional authorizing legislation plus unanticipated demands for benefits may once again push the costs of veterans' programs up sharply. The House Appropriations Committee has predicted the need for a further \$1 billion later this year because of the demand produced by depressed economic conditions. The Committee believes our veterans deserve these benefits, but the uncontrollable nature of most VA expenditures must be taken into account as we come to grips with a projected budget deficit in fiscal 1976 approaching \$70 billion.

#### COMPENSATION AND PENSIONS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$7,539,400,000	
Estimate, 1976-----	<sup>1</sup> 7,699,700,000	<sup>2</sup> \$1,966,400,000
House allowance-----	7,499,700,000	1,885,400,000
Committee recommendation-----	7,699,700,000	1,966,400,000

<sup>1</sup> Includes \$200,000,000 requested in S. Doc. 94-83.

<sup>2</sup> Includes \$81,000,000 requested in S. Doc. 94-83.

For Compensation and Pension payments to the nation's veterans and their dependents the Committee has recommended the appropriation of \$7,699,700,000 for fiscal 1976 and \$1,966,400,000 in the three month transition period. This recommendation is identical to the budget request and \$200,000,000 over the House allowance. The difference is accounted for by a budget amendment request for \$200,000,000 that was submitted after the House acted.

The average caseload was originally projected to be down somewhat in fiscal 1976—from 4,849,572 cases in fiscal 1975 to a projected 4,847,606 cases in fiscal 1976. However the increase in average cost per case to \$1,791 for compensation payments and \$1,227 for the typical pension together with an unanticipated caseload increase resulting in an amended budget request has eliminated the cost saving initially expected as a result of the drop in caseload. These rates will increase further should Congress pass legislation to increase benefits that have been eaten away by inflation.

Compensation is payable to living veterans who have suffered impairment of earning power from service-connected disabilities. Death compensation or dependency and indemnity compensation is payable to the widow and dependents of veterans whose deaths are related to service-connected disabilities.

Pensions benefits are payable to wartime veterans and dependents of deceased veterans for nonservice-connected disability and death.

Other related outlays cover special payments to certain emergency officers of World War I, burial benefits, invalid lifts and other devices, a veterans clothing allowance, veterans group life insurance, and other miscellaneous purposes.

#### READJUSTMENT BENEFITS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$4,550,738,000	
Estimate, 1976-----	<sup>1</sup> 5,414,475,000	<sup>2</sup> \$1,039,472,000
House allowance-----	4,214,475,000	854,472,000
Committee recommendation-----	5,414,475,000	1,039,472,000

<sup>1</sup> Includes \$1,200,000,000 requested in S. Doc. 94-83.

<sup>2</sup> Includes \$185,000,000 requested in S. Doc. 94-83.

The Committee recommends \$5,414,475,000 for the payment of readjustment benefits, a figure identical to the budget request and \$1,200,000,000 above the amount approved by the House. The Committee addition results from a budget amendment not considered by the House resulting from an unanticipated increase in G.I. bill trainees.

The basic purpose of the readjustment benefit program is to provide financial assistance to veterans and active duty servicemen for the restoration of lost educational opportunities where their careers were interrupted or impeded by reason of military service after January 1, 1955. Assistance is also provided to the children, wives and widows of veterans who suffered permanent total disabilities or died in the service of their country as well as dependents of prisoners of war or those missing in action.

Disabled veterans also are eligible to receive vocational rehabilitation payments, financial assistance towards the purchase of an automobile as well as its adaptation to their needs, and financial help in the purchase of specially equipped homes.

The Committee has noted with deep concern that overpayments of education and training benefits have increased in the last few years at a rather alarming rate, as indicated in the following table:

Fiscal year:	
1972-----	\$50,785,000
1973-----	142,411,000
1974-----	269,027,000
1975 (first 9 months)-----	282,549,000

VA's accounts receivable outstanding, representing unrecovered education overpayments have grown in the last 5 years by 1,600 percent, from \$7.7 million at the end of fiscal year 1969 to \$123.8 million at the end of fiscal year 1974. These accounts receivable have further grown to \$168.6 million as of March 31, 1975—more than 23 times the amount outstanding at the end of fiscal year 1969.

The massive increases in education overpayments may be directly traceable to (1) the legislation which authorized the prepayment and advance payment of education and training benefits (Public Law 92-540), (2) VA's relaxation of payment controls and expansion of the special payment provisions, (3) large increases in student enrollment under the GI Bill, (4) substantial increases in monthly assistance benefits, (5) failures on the part of training institutions and the students themselves to quickly advise VA of changes in training status and of interruptions in training, and (6) delays by VA in processing the status changes and interruption notices after they are received. There is also the element of possible outright fraud on the part of some students and/or schools, which has been well publicized by the news media in recent weeks.

The Committee is sympathetic to the efforts taken to improve the

timeliness of educational assistance payments to eligible veterans and dependents. At the same time it would be fiscally irresponsible to turn our backs on the overpayment consequences of these actions, including the repayment hardships placed on those who unwittingly receive payments not due them. It is therefore reassuring to know that both the VA and the General Accounting Office are seeking ways to halt the escalating overpayments and to improve current efforts to reduce the growing backlog of unrecovered overpayments outstanding.

The Committee's concern should not, however, be interpreted as a mandate to compromise the academic integrity or independence of our educational institutions. The Committee therefore urges the Veterans' Administration to consult closely with post-secondary institutions in the development of appropriate new regulations.

The Committee notes that liability on the part of the educational institution is provided for in the law where there is willful or negligent failure of the school to report excessive absences from a course, or a discontinuance or interruption of a course by the veteran or eligible dependent, or false certification by the educational institution resulting in improper payments of allowances to veterans and dependents. In addition, if the VA finds the school has willfully submitted a false or misleading claim, or that a veteran or dependent, with the complacency of the school has submitted such a claim, the Committee directs that such violations be reported to the Department of Justice for possible prosecution.

The Committee intends to monitor the efforts of VA and GAO in this area in the months ahead and will consider the overpayments problem further in acting on future requests for appropriations. In these serious economic times, fiscal responsibility must not take a back seat to our desire for the earliest possible payment of educational benefits.

#### VETERANS INSURANCE AND INDEMNITIES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$8,750,000	
Estimated, 1976-----	6,600,000	\$2,450,000
House allowance-----	6,600,000	2,450,000
Committee recommendation-----	6,600,000	2,450,000

The Committee recommends an appropriation of \$6,600,000 for fiscal year 1976 and \$2,450,000 for the transition period for Veterans Insurance and Indemnities. This figure is identical to the House allowance and the budget estimate.

This appropriation provides for:

Payments to the USGLI and NSLI trust funds on claims for death and total disability traceable to the extra hazards of service and waiver of premiums while in service.

Payments are made to policyholders of war-risk insurance issued to veterans of World War I who are permanently and totally disabled. Payments are also made on non-participating policies issued to World War II veterans with service-connected disabilities.

Payments to the Service-disabled veterans insurance fund to supplement the premium and other receipts of the fund in amounts

necessary to pay claims on policies issued to veterans with service-connected disabilities.

The decrease in the budget request is attributed to a reduction in payments to the Service-disabled veterans insurance fund of \$2,500,000.

#### MEDICAL CARE

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$3,317,520,000	
Estimate, 1976-----	3,667,866,000	\$949,702,000
House allowance-----	3,666,711,000	949,413,000
Committee recommendation-----	3,666,711,000	949,413,000

For the Medical Care appropriation, the Committee recommends \$3,666,711,000 which is \$1,155,000 below the budget estimate and the same as the House allowance.

The Medical Care appropriation provides for medical care and treatment of eligible beneficiaries in Veterans Administration hospital, nursing home care, domiciliary and outpatient clinic facilities; contract hospital—other Federal and non-Federal; State domiciliaries, nursing homes and hospitals—on a grant basis; contract community nursing homes; and through the hometown physicians and dentists outpatient program on a fee basis. As a result of 1973 legislation, hospital and outpatient care also will be provided by the private sector for certain dependents and survivors of veterans under the civilian health and medical program of the Veterans Administration (CHAMPVA). In addition, funds are provided for training of medical residents and other professional, paramedical, and administrative personnel in health-science fields to support the Agency's medical care programs and the Nation's manpower demand in these shortage categories.

The increase will provide for additional staff for hospital core activities, fire protection and Problem Oriented Medical Records in accordance with recommendations in the Quality of Care Survey. The increase for these activities amounts to \$87,010,000. An additional \$88,853,000 will be spent on the activation of new facilities, workload changes and an extra calendar day. A further \$61,313,000 increase will pay for a boost in the usage of drugs, utilities, and prostheses. The Committee concurs in the decision of the House to reduce funding by \$1,155,000 in fiscal 1976 and \$289,000 for the Transition period as a result of a 90 percent limitation on GSA rental charges.

The Committee notes that \$7,210,000 has been budgeted in fiscal year 1976 for additional Specialized Medical Services. The Committee continues to be distressed by evidence that unneeded centers are permitted to continue in operation. Open heart surgery units and kidney transplant centers are a particular problem. The Chief Medical Director of the Veterans Administration told the Committee that the number of kidney transplant procedures necessary to maintain a VA unit had been downgraded from 20 to 15 in order to conform with HEW procedures. However, the HEW criteria submitted for the Record indicated that units received unconditional approval only if 25 or more transplants were performed per year. Conditional approval only was granted if 15 to 24 transplants were performed.

This is the sort of misleading justification the Committee continues to receive for keeping inefficient units open. The Committee directs

VA to report by December 31, 1975, on steps that have been taken to phase out unneeded specialized medical services.

The Committee is deeply concerned over disclosures contained in a General Accounting Office report regarding the overuse of drugs to control psychiatric patients. The report found, after the records of 6,171 patients had been examined, that drugs were used in excess of maximum recommended dosage, that more than one drug was used simultaneously in violation of good medical practice and that drugs which should be used only under special circumstances were being used routinely. The thrust of the report was that drugs were used to keep patients under control in the absence of sufficient trained staff.

In view of the fact that there is a \$61,313,000 increase provided for in the budget for increased use of drugs, utilities and prostheses, the Committee directs the VA to carefully monitor the overuse of psychotherapeutic drugs and report on the need for improved psychiatrist staffing in VA mental hospitals.

The Committee was distressed by indications during hearings on this legislation that many state domiciliaries were in sub-standard condition. A special task force for domiciliary study concluded that all building facilities at 9 of 18 domiciliary sites would have to be eliminated if a policy were to be adopted that buildings not capable of being upgraded to reach applicable construction or life safety codes should be eliminated.

The Committee directs the VA to carefully assess its domiciliary program and recommend changes and funding necessary to make the program a credit to the VA rather than a shame.

#### MEDICAL AND PROSTHETIC RESEARCH

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation.....	\$91,377,000	
Estimate, 1976.....	95,000,000	\$24,714,000
House allowance.....	95,000,000	24,714,000
Committee recommendation.....	95,000,000	24,714,000

For the conduct of the Veterans Administration's medical research program and for a prosthetic research program for the development and testing of prosthetic, orthopedic and sensory aids to improve the care and rehabilitation of the disabled, the Committee recommends an appropriation of \$95,000,000. This sum is the same as the budget estimate and the amount contained in the House bill.

This appropriation also provides support for the first time for Health Services Research and Development projects at Veterans Administration hospitals and clinics for improving the effectiveness and economy of the delivery of health services and improving the accessibility of services to veterans. It is a "no year" appropriation in which funds unobligated at the end of a fiscal year are available for obligation in the ensuing fiscal year.

The general objectives of the programs are directed toward their important impact upon the Veterans Administration hospital patient care and teaching programs, which are basic to the agency's medical mission. The primary goals are the development of excellent and

diversified research and its application to all of the Veterans Administration patient care programs.

The fiscal year 1976 budget estimate provides for an increase of 155 in average employment, of which 125 are earmarked for Medical Research, and 30 for Research and Development in Health Services.

#### ASSISTANCE FOR HEALTH MANPOWER TRAINING INSTITUTIONS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation.....	\$10,000,000	
Estimate, 1976.....	30,000,000	\$8,332,000
House allowance.....	30,000,000	8,332,000
Committee recommendation.....	30,000,000	8,332,000

To provide funds for making grants to eligible applicants for the purpose of health manpower education and training expansion, the Committee recommends an appropriation of \$30,000,000. This sum is identical to the House allowance and the budget estimate.

Grants may be awarded to assist in the establishment of up to eight (8) new State medical schools to be located in proximity to and operated in conjunction with Veterans Administration hospitals; grants may be awarded to existing medical schools which are affiliated with the VA, to expand and improve their training capacities; and, grants may be awarded to other health manpower institutions affiliated with the VA to assist in the coordination, improvement and expansion of the training of professional, technical, allied health and paramedical personnel. In addition, funds may be provided to expand and make necessary improvements to VA hospitals so that they will be suitable for use for health manpower education and training in cooperation with affiliated medical schools and other institutions.

The funding approved by the Committee will provide \$11,000,000 for new medical school grants. The remaining \$19,000,000 will be utilized as follows: \$16,667,209 for the continuation of all grants initiated through the 3rd quarter of fiscal year 1975; \$2,332,791 for modification and equipping of education facilities in VA hospitals.

The \$8,332,000 approved for the Transition period will provide for the continuation of on-going grants for new and existing institutions.

#### MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation.....	\$37,508,000	
Estimate, 1976.....	38,528,000	\$10,230,000
House allowance.....	38,528,000	10,230,000
Committee recommendation.....	38,528,000	10,230,000

The Committee recommends an appropriation of \$38,528,000 for Medical Administration and Miscellaneous Operating Expenses. This sum is the same as the budget estimate and the amount contained in the House bill.

This appropriation provides funds for: (1) Central Office executive direction, administration and supervision of all Veterans Administration medical programs, including development and implementation

of policies, plans, and program objectives, and follow-up action to insure accomplishment of goals; (2) Research and Development in Health Services planning and management for studies designed to accelerate administrative and management research and development activities to facilitate improved effectiveness and economy in delivery of health care services; (3) Post-graduate and Inservice Training activities in support of continuing education for employees of the various medical programs including costs of tuition, travel, lecturer's fees and training materials and equipment; and (4) Exchange of Medical Information between the VA and other elements of the Nation's medical-scientific community.

The amount approved by the Committee provides for an average employment increase of 27 in fiscal year 1976.

#### GENERAL OPERATING EXPENSES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation.....	\$432,028,000	
Estimate, 1976.....	466,457,000	\$112,844,000
House allowance.....	462,300,000	112,164,000
Committee recommendation.....	463,756,000	112,164,000

<sup>1</sup> Includes \$13,500,000 requested in S. Doc. 94-83.

For General Operating Expenses, the Committee recommends an appropriation of \$463,756,000, which is \$1,456,000 over the House allowance and \$2,701,000 below the budget estimate.

After this bill had been considered by the House the Administration submitted a budget amendment in the amount of \$13,500,000 to pay for additional temporary positions needed to handle the extra benefits payment workload created by the economic recession. This request was approved by the Committee.

The General Operating Expenses appropriation finances all non-medical administrative costs of the Veterans Administration. These costs are budgeted for under four major activities: General Administration, consisting of the Office of the Administrator and eight agency-level staff offices; the Department of Data Management; the Department of Veterans Benefits; and the National Cemetery System.

"General Administration" consists of the Office of the Administrator and his staff offices except the Office of the Assistant Administrator for Construction which is budgeted under the Construction, Minor Projects, appropriation.

The Department of Veterans Benefits is responsible for providing direct benefits and services (except medical) authorized by law to veterans, their widows and beneficiaries.

The Department of Data Management is responsible for managing computer operations and providing technical support and assistance in the development of new computer and communications systems.

The basic mission of the National Cemetery System is to provide, upon request, the interment of any eligible deceased servicemen, discharged veterans or dependents in any National Cemetery.

The Committee has concurred with the House in deleting \$2,701,000 requested by the VA to pay space rental charges in accordance with the 10 percent decrease in GSA space rental payments.

#### CONSTRUCTION, MAJOR PROJECTS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation.....	\$251,127,000	
Estimate, 1976.....	297,464,000	\$15,860,000
House allowance.....	299,924,000	15,860,000
Committee recommendation.....	297,464,000	15,860,000

The Committee recommends an appropriation of \$297,464,000 for Construction, Major Projects. This sum is the same as the budget estimate and \$2,460,000 below the amount contained in the House bill.

The Construction, Major Projects program provides for constructing, altering, extending and improving any VA facility, including planning, architectural and engineering services, and site acquisition, where the estimated cost of a project is \$1,000,000 or more.

The Committee has concurred in House-approved language including funds in the bill for the construction of a research and education building at the Houston Hospital and the expansion of clinic and outpatient facilities and correction of fire deficiencies at the Northampton Hospital. The committee has also included \$6.7 million in the bill for a new research and education facility at the VA Hospital in Jackson, Mississippi. Last year the Committee directed the VA to reprogram funds for the Houston and Jackson projects in its report. However, the reprogramming did not take place. The Committee feels it has no other course than to specifically provide for these projects in the bill itself.

The Committee heard VA testimony that the final planning consultant's study on the proposed Veterans Administration Hospital in Baltimore, Maryland, will be completed in the next few months. The planning for this much needed Hospital has taken a very long time indeed and the Committee expects that the VA will request Presidential authority to move ahead with construction of this Hospital at the earliest possible time.

The Committee directs that the VA undertake those processes now necessary to accomplish construction commencing in fiscal year 1977 of facilities of the VA Hospital in Oklahoma City, within the Federal-State sharing concept devised to share and utilize, to the extent possible, the facilities of the VA Hospital, the University Hospital, Oklahoma Medical Research Foundation, and the Children's Memorial Hospital, all in proximity at Oklahoma City. For this purpose the Committee directs that up to \$1,853,000 be made available from funds in this account for functional planning, architectural planning, site/survey analysis, environmental analysis, project management and architectural and engineering fees. The Committee further directs that the VA report to this Committee within a period of 5 months from the date the accompanying bill is enacted into law on the progress on this project.

The Committee understands that sites have not as yet been chosen for four regional cemeteries. Consequently, it is highly unlikely that these sites could be developed in fiscal year 1976. The Committee directs that \$8,000,000 proposed in the budget for such site development be reprogrammed into the projects enumerated in the bill unless early site selection at one or more of the cemeteries makes substantial construction progress possible.

A complete listing of the projects funded herein, plus Jackson, Mississippi and Oklahoma City as mentioned above minus the four above mentioned cemetery projects, may be found on pages 44 and 45 of the House Report Number 94-313 and consequently is not repeated here.

The Committee continues to be deeply disturbed by continual cost overruns in VA hospital construction projects. These overruns are due in part to faulty estimating. The VA should put more time and effort into the estimating process.

However, cost overruns can also be attributed to failure on the part of architectural and engineering firms that have been paid by the VA to prepare complete working drawings and specifications based on information furnished by VA. A recent GAO study compiled at the Committee's request found that of total change orders amounting to \$2,109,339 on five major construction projects, \$930,965 in change orders were due to existing conditions conflicting with contract drawings and specifications, or omissions from contract documents of provisions for necessary equipment or materials.

In spite of these obvious short-comings on the part of A/E firms the VA has conspicuously failed to pursue legal actions against firms even when the VA contract appeals board rules in favor of a construction contractor based on errors or omissions in the documents prepared by an architect-engineering firm.

The Committee directs the VA to institute such actions in appropriate cases and to consider evaluations of an A/E firm's performance when determining the degree of a firm's responsibility.

The Committee was particularly distressed by escalations in contract cost following assurances by the VA that if requested funds were provided by the Committee the project would be completed. Additional funding following such assurances have amounted to as much as 50% of the supposedly firm estimates.

The Committee looks forward to a substantial improvement in the VA's performance in this critical and expensive area.

#### CONSTRUCTION, MINOR PROJECTS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$51,894,000	
Estimate, 1976-----	106,426,000	\$16,490,000
House allowance-----	106,426,000	16,490,000
Committee recommendation-----	106,426,000	16,490,000

For Construction, Minor Projects, the Committee recommends an appropriation of \$106,426,000, which is identical to the budget estimate and the amount recommended by the House.

The Construction, Minor Projects appropriation provides for constructing, altering, extending and improving any VA facility, including planning, architectural and engineering services and site acquisition, where the estimated cost of a project is less than \$1,000,000 also included are the costs of the Office of the Assistant Administrator for Construction.

Of the amount approved by the Committee \$33,954,000 will be spent to eliminate safety hazards; \$16,700,000 will be used to correct electrical deficiencies; \$3,000,000 will be spent on the National Cemetery

System; \$10,100,000 will go into the Specialized Medical Program and \$4,000,000 will pay for clinical improvements. These funds will also pay for general projects, general administration and other activities.

#### GRANTS FOR THE CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$9,700,000	
Estimate, 1976-----	10,000,000	
House allowance-----	10,000,000	
Committee recommendation-----	10,000,000	

The Committee recommends an appropriation of \$10,000,000 to provide grants for the Construction of State Extended Care Facilities. This sum is the same as the budget estimate and the amount recommended by the House.

This appropriation provides funds to assist the States in the construction of State Nursing Home Care facilities and the remodeling, modification or alteration of existing hospital and domiciliary facilities in State homes providing care and treatment to war veterans. Of the total of \$10,000,000 requested for these purposes in fiscal year 1976, \$5,000,000 is for improvements at existing State hospital and domiciliary facilities and another \$5,000,000 will go into the state nursing home construction grant program.

#### GRANTS TO THE REPUBLIC OF THE PHILIPPINES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$2,050,000	
Estimate, 1976-----	2,100,000	\$525,000
House allowance-----	2,100,000	525,000
Committee recommendation-----	2,100,000	525,000

For Grants to the Republic of the Philippines, the Committee recommends an appropriation of \$2,100,000, which is the budget estimate and the amount contained in the House bill.

This appropriation provides grants-in-aid to the Republic of the Philippines for medical care and treatment of eligible Philippine Commonwealth veterans and new Philippine Scouts. Public Law 93-82 extended the program for 5 years through June 30, 1978, and expanded the authorization to provide for (1) Payment for nursing home care with total annual payments of not to exceed \$250,000 from the \$2 million applicable to medical care and treatment; (2) Payment of \$50,000 annually for grants for education and training of health service personnel; and (3) Payments of \$50,000 annually to assist in replacing and upgrading equipment and in rehabilitating the physical plant of the Veterans Memorial Hospital.

The Committee has learned that more than 95 percent of the patient days charged against the fiscal year 1974 appropriation of \$2 million for hospital treatment was for nonservice connected illnesses.

Although the Committee recognizes a certain obligation for the United States to finance care for service-connected illnesses for veterans in the Philippines, the Committee believes that treatment of non-service connected illnesses is more a responsibility of the Republic of the Philippines.

## PAYMENT OF PARTICIPATION SALES INSUFFICIENCIES

	Fiscal year	Transition period
1975 appropriation -----	\$1, 828, 000	-----
Estimate, 1976 -----	3, 148, 000	-----
House allowance -----		
Committee recommendation -----		

Funds requested under this account are for the payment of such insufficiencies as required by the Government National Mortgage Association as trustee on account of outstanding participations in Direct Loan Revolving Fund assets or Loan Guaranty Revolving Fund assets. The appropriation request of \$3.1 million for 1976 is for transfer to the Loan Guaranty Revolving Fund.

The Committee concurs in the House decision to eliminate direct funding for this activity and provide for the payment for insufficiencies through the Loan Guaranty Fund.

## LOAN GUARANTY REVOLVING FUND (LIMITATION ON OBLIGATIONS)

	Fiscal year	Transition period
1975 limitation -----	(\$500, 000, 000)	-----
Estimate, 1976 -----	(550, 000, 000)	(\$150, 000, 000)
House allowance -----	(550, 000, 000)	(150, 000, 000)
Committee recommendation -----	(550, 000, 000)	(150, 000, 000)

The Committee recommends \$550,000,000 for the limitation on obligations of the Loan Guaranty Revolving Fund. This limitation is identical to the budget estimate and the amount contained in the House bill.

The principal objective of the Loan Guaranty program is to encourage and facilitate extension of favorable credit terms by private lenders to veterans for the purchase, construction or improvement of homes to be occupied by the veterans and their families.

The program operates by substituting the Federal Government's guaranty to lenders against financial loss on loans to veterans for the investment protection afforded under conventional mortgage terms by substantial down payments and relatively shorter loan terms.

The Loan Guaranty Program originated in Title III of the Servicemen's Readjustment Act of 1944. The Act was conceived as a comprehensive GI Bill of Rights for returning World War II veterans, to help reintegrate them into the civilian population. Credit assistance was authorized for home, farm and business purposes, for a limited time after the veterans' separation from service. In subsequent Acts, credit assistance for all purposes was opened to Korean Conflict veterans, and for housing purposes only to Post-Korean veterans, certain current members of the armed forces or unremarried widows of veterans. The Veteran's Housing Act of 1970, Public Law 91-506, restored unused entitlement of veterans whose eligibility term had expired under prior laws and made all veterans' entitlement available until used.

"The Veterans Housing Act of 1974" made further improvements in loan benefits for veterans by: extending the mobile home loan author-

ity and increasing the loan maximums for mobile home loans, authorizing loans on used mobile homes, increasing the amount of guaranty on conventionally built homes, liberalizing provisions for restoration of a veteran's entitlement, expanding the number of condominium units eligible for VA loans, and perfecting other provisions of the program.

As indicated in the discussion of participation sales insufficiencies the Committee concurs with House language in the bill providing that such insufficiencies be paid from the revolving fund limitation in view of the amounts of money available for this purpose.

TITLE III

CORPORATIONS

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES,  
FEDERAL HOUSING ADMINISTRATION

	Fiscal year	Transition period
<b>Administrative expenses:</b>		
1975 limitation	(\$14,230,000)	(-----)
Estimate, 1976	(16,145,000)	(\$3,945,000)
House allowance	(-----)	(-----)
Committee recommendation	(-----)	(-----)
<b>Nonadministrative expenses:</b>		
1975 limitation	(190,500,000)	(-----)
Estimate, 1976	(193,962,000)	(48,280,000)
House allowance	(-----)	(-----)
Committee recommendation	(-----)	(-----)

The Committee concurs with the House in providing no authority for a limitation on administrative or nonadministrative expenses for the Federal Housing Administration for either fiscal 1976 or the transition period.

Traditionally, the money provided through the limitations on administrative and nonadministrative expenses for FHA was transferred out of these FHA accounts into various salary and expense accounts within the Department. However, this year the House has decided to appropriate this money directly to the various salary and expense accounts at HUD, thus eliminating the FHA limitation on administrative and nonadministrative expenses accounts in fiscal year 1976. The House has also directed the Federal Housing Administration to transfer an equivalent amount of receipts directly to the Treasury.

The Committee recommends another approach to the distribution of FHA administrative and nonadministrative expenses in the fiscal year 1976 budget. The Committee has provided funding through the transfer of FHA receipts rather than as a direct appropriation, as recommended by the House. Thus spending normally approved through limitations on FHA administrative and nonadministrative expenses

(81)

will be transferred directly to various salary and expenses accounts as indicated in the table below :

DISTRIBUTION OF FHA ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES IN FISCAL YEAR 1976 BUDGET

[In thousands of dollars]

	Fiscal year 1976 estimates		
	Admini- strative expenses	Nonadmini- strative expenses	Total
<b>Housing programs</b> .....	12,355	146,295	158,650
Office of General Counsel.....	595	1,155	1,750
Office of the Inspector General.....		3,035	3,035
Administration and staff services.....	3,195	27,897	31,092
Regional management and services.....		15,580	15,580
<b>Total</b> .....	16,145	193,962	210,107
<b>Transition period:</b>			
Housing programs.....	3,175	36,675	39,850
Office of General Counsel.....	150	315	465
Office of the Inspector General.....		810	810
Administration and staff services.....	620	6,575	7,195
Regional management and services.....		3,905	3,905
<b>Total</b> .....	3,945	48,280	52,225

The Committee agrees with the intent of the House to add a degree of control to the distribution of FHA administrative and non-administrative expense funds throughout HUD into the various salary and expense accounts. However, the Committee feels that the transfer approach as described above is the proper method of implementing this control over FHA expenditures.

LIMITATION ON ADMINISTRATIVE EXPENSES, GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

	Fiscal year	Transition period
1975 limitation.....	(\$8,113,000)	
Estimate, 1976.....	(1,240,000)	(\$350,000)
House allowance.....	(1,240,000)	(350,000)
Committee recommendation.....	(1,240,000)	(350,000)

The Committee recommends a limitation of \$1,240,000 on administrative expenses for the Government National Mortgage Association at the Department of Housing and Urban Development. This amount is the same as the budget estimate and the amount provided in the House bill.

Officials of HUD told the Committee that a total of 37 permanent positions are budgeted for 1976, an increase of one over the current FY 1975 budget. The additional position requested will be assigned to the Office of the President and is required to provide the policy and analytical strength which has been absent from GNMA since inception.

It is the understanding of the Committee that the substantial decrease in FY 1976 in limitations on administrative expenses is a result of a change in accounting procedure which excludes the cost of contractual services provided by the Federal National Mortgage Association from the limitation. Such services will be charged to the appropriate accounts.

FEDERAL HOME LOAN BANK BOARD

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES

	Fiscal year	Transition period
<b>Administrative expenses:</b>		
1975 limitation.....	(\$10,877,000)	
Estimate, 1976.....	(14,765,000)	(\$3,680,000)
House allowance.....	(14,665,000)	(3,650,000)
Committee recommendation.....	(14,665,000)	(3,650,000)
<b>Nonadministrative expenses:</b>		
1975 limitation.....	(20,936,000)	(.....)
Estimate, 1976.....	(19,643,000)	(4,906,000)
House allowance.....	(19,585,000)	(4,900,000)
Committee recommendation.....	(19,585,000)	(4,900,000)

For a limitation on administrative expenses of the Federal Home Loan Bank Board, the Committee recommends \$14,665,000 which is the same as the House allowance and \$100,000 below the budget estimate. The Committee recommends a limitation of \$19,585,000 for non-administrative expenses, which is \$58,000 below the budget estimate and the same amount recommended in the House-passed bill. These decreases are attributable to a 10-percent reduction in the space rental charge payable to the General Services Administration.

The apparently sharp increase in the limitation on administrative expenses coupled with the \$1.5 million decrease in the limitation on nonadministrative expenses is attributable to a decision to move the funding of the Washington office of the Office of Examinations and Supervision into the Limitation on Administrative Expenses account. It was formerly covered under the Limitation on Nonadministrative Expenses account.

The Federal Home Loan Bank Board supervises and regulates the Federal Home Loan Bank System, the System of Federal Savings and Loan Associations, and the Federal Savings and Loan Insurance Corporation, created to serve the American public through the media of savings and loan associations, co-operative banks, and other financial institutions engaged in the encouragement of thrift and economical home ownership.

The Federal Home Loan Bank is primarily a regulatory and supervisory agency in the savings and home-financing field. It issues charters for Federal savings and loan associations, and insures savings accounts in Federal savings and loan associations and in approved State-chartered savings and loan institutions.

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

	Fiscal year	Transition period
1975 limitation.....	(\$772,000)	
Estimate, 1976.....	(830,000)	(\$206,000)
House allowance.....	(820,000)	(203,000)
Committee recommendation.....	(820,000)	(203,000)

For a limitation on administrative expenses for the Federal Savings and Loan Insurance Corporation, the Committee recommends \$820,000 which is the same as the House allowance and \$10,000 below

the budget estimate. This reduction is attributable to a 10 percent decrease in the space of rental charge payable to the General Services Administration.

The Committee also recommends a limitation of \$203,000 for the Transition period. This figure is the same as the House allowance and \$3,000 below the budget estimate. Again, this decrease is due to a 10 percent reduction in the space rental charge payable to General Services Administration.

The Federal Savings and Loan Insurance Corporation insures savings accounts up to \$40,000 for each saver in Federal savings and loan associations and in approved State-chartered savings and loan or building and loan associations, known in some sections of the country as co-operative banks and homestead associations.

The budget program is designed to permit the Corporation to handle adequately and with dispatch its various insurance activities and to protect the savings of people invested in insured associations of the savings and loan type.

## TITLE IV

### GENERAL PROVISIONS

#### LIMITATIONS AND LEGISLATIVE PROVISIONS

The Committee has added the following limitations and legislative provisions not included in the House bill:

On page 3, line 12 :

*That at least \$75,000,000 of such contract authority shall be available only for contracts for annual contributions to assist in financing the development or acquisition of low-income housing projects to be owned by public housing agencies other than under section 8 of the U.S. Housing Act of 1937: Provided further, That not less than 75 per centum of the funds made available by this Act which are used pursuant to section 8 of the above Act shall be allocated to contracts to make assistance payments with respect to newly constructed or substantially rehabilitated housing.*

On page 4, line 11 :

*, of which not less than 400,000,000 shall be available only to non-profit sponsors for the purpose of providing 100 percent loans for the development of housing for the elderly and handicapped with no cash equity or other financial requirements imposed as a condition of loan approval. The full amount of such fund shall be available during such period for permanent financing (including construction financing) for housing projects for the elderly and handicapped, and not more than \$100,000,000 may be made available for construction loans only*

On page 6, line 17 :

#### EMERGENCY MORTGAGE PURCHASE ASSISTANCE

*The total amount of purchases and commitments authorized to be made pursuant to Section 313 of the National Housing Act, as amended (12 U.S.C. 1723e; 88 stat. 1364 Public Law 94-50), shall not exceed \$5,000,000,000 outstanding at any one time, which amount shall be in addition to balances of authorization heretofore made available for purchases and commitments pursuant to said section and which shall continue available after October 18, 1975: Provided, That the Association may borrow from the Secretary of the Treasury in accordance with said section, in such amounts as are necessary to carry out the purposes and requirements of said section as authorized herein.*

On page 28, line 16:

*for the activity for which the limitation applies,*

On page 28, line 19:

*, for the activity for which the limitation applies*

On page 35, line 24:

*, and \$6,700,000 for construction of a research and education facility at Jackson, Mississippi*

On page 45, line 22:

*; or to travel performed by employees of the Federal Housing Administration for the purpose of performing inspections and appraisals*

On page 47, line 24:

*None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between his domicile and his place of employment, with the exception of the Secretary of the Department of Housing and Urban Development, who, under Title 5, U.S.C. Section 101, is exempted from such limitations.*

On page 48, line 6:

*No funds appropriated by this Act may be expended—*

*(1) pursuant to a certification of an officer or employee of the United States unless—*

*(A) such certification is accompanied by, or is part of, a voucher or abstract which describes the payee or payees and the items or services for which such expenditure is being made, or*

*(B) the expenditure of funds pursuant to such certification, and without such a voucher or abstract, is specifically authorized by law; and*

*(2) unless such expenditure is subject to audit by the General Accounting Office or is specifically exempt by law from such an audit.*

**COMPARATIVE STATEMENT OF THE NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES FOR FISCAL YEAR 1976**

**PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—FEDERAL FUNDS**

[Becomes available automatically under earlier, or "permanent" law without further, or annual action by the Congress. Thus, these amounts are not included in the accompanying bill]

Agency and item (1)	New budget (obligational) authority, 1975 (2)	Budget estimates of new budget (obligational) authority, 1976 (3)	Increase (+) or decrease (-) (4)
Department of Housing and Urban Development:			
Annual contributions for assisted housing (contract authority).....	\$388,944,000	\$324,000,000	-\$64,944,000
College housing—loans and other expenses (indefinite).....	405,000	402,000	-3,000
Federal Housing Administration fund (authority to spend public debt receipts, indefinite).....	875,000,000	800,000,000	-75,000,000
Government National Mortgage Association: Special assistance functions fund: Indefinite.....	3,533,000	3,452,000	-81,000
Authority to spend public debt receipts.....	3,000,000,000	-----	-3,000,000,000
Revolving fund (liquidating programs, indefinite).....	925,000	900,000	-25,000
Interstate land sales (indefinite, special).....	998,000	-----	-998,000
Public facility loans (indefinite).....	-----	964,000	+964,000
Environmental Protection Agency: Abatement and control (contract authority).....	150,000,000	-----	-150,000,000
Department of the Treasury: Subsidy payment to Environmental Financing Authority (indefinite).....	75,000	-----	-75,000
Total, permanent new budget (obligational) authority, Federal funds.....	4,369,880,000	889,748,000	-3,580,132,000

**COMPARATIVE STATEMENT OF THE NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES FOR FISCAL YEAR 1976—Continued**

**PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—TRUST FUNDS**

[Becomes available automatically under earlier, or "permanent" law without further, or annual action by the Congress. Thus, these amounts are *not* included in the accompanying bill]

Agency and item (1)	New budget (obligational) authority, 1975 (2)	Budget estimates of new budget (obligational) authority, 1976 (3)	Increase (+) or decrease (-) (4)
American Battle Monuments Commission: Contributions (indefinite).....	\$21,000	\$51,000	+\$30,000
National Aeronautics and Space Administration: Miscellaneous trust funds (indefinite).....	1,550,000	525,000	-1,025,000
National Science Foundation: Donations (indefinite).....	2,355,000	1,355,000	-1,000,000
<b>Veterans Administration:</b>			
General post fund, national homes (indefinite).....	3,950,000	4,100,000	+150,000
National service life insurance fund (indefinite).....	831,581,000	873,660,000	+42,079,000
U.S. Government life insurance fund (indefinite).....	38,160,000	38,260,000	+100,000
<b>Total, permanent new budget (obligational) authority, trust funds.....</b>	<b>877,617,000</b>	<b>917,951,000</b>	<b>+40,334,000</b>

Note: Amounts as estimated and shown in the February 1975 budget document. Some items are indefinite in amount, and thus are subject to later reestimation.

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**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD**

Agency and item (1)	New budget (obligational) authority fiscal year 1975 (2)	Budget estimates of new budget (obligational) authority fiscal year 1976 and transition period (3)	New budget (obligational) authority recommended in House bill (4)	Committee recommendation (5)	Increase (+) or decrease (-), Senate bill compared with—		
					Appropriations 1975 (6)	Estimates 1976 (7)	House bill (8)
<b>TITLE I</b>							
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>							
<b>HOUSING PROGRAMS</b>							
Emergency Homeowners Relief Fund.....				\$75,000,000	+\$75,000,000	+\$75,000,000	+\$75,000,000
State Housing Finance and Development Agencies (limitation for annual contract au- thority).....				1 35,000,000	+35,000,000	+35,000,000	+35,000,000
<i>Appropriation to liquidate contract authority.....</i>				<i>(35,000,000)</i>	<i>(+35,000,000)</i>	<i>(+35,000,000)</i>	<i>(+35,000,000)</i>
Annual contributions for assisted housing (in- creased limitation for annual contract authority).....		1 \$662,300,000	\$662,300,000	662,300,000	+662,300,000		
Rent supplement program (increased limitation for annual contract authority).....			1 20,000,000	20,000,000	+20,000,000	+20,000,000	
Housing for the elderly or handicapped (limitation on loans).....	(\$215,000,000)	(\$215,000,000)	(300,000,000)	(500,000,000)	(+285,000,000)	(+285,000,000)	(+200,000,000)

See footnotes at end of table.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued**

Agency and item (1)	New budget (obligational) authority fiscal year 1975 (2)	Budget estimates of new budget (obligational) authority fiscal year 1976 and transition period (3)	New budget (obligational) authority recommended in House bill (4)	Committee recommendation (5)	Increase (+) or decrease (-), Senate bill compared with—		
					Appropriations 1975 (6)	Estimates 1976 (7)	House bill (8)
<b>TITLE I—Continued</b>							
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Continued</b>							
<b>HOUSING PROGRAMS—Continued</b>							
Housing payments.....	2,300,000,000				-2,300,000,000		
<i>Appropriation to liquidate contract authority.....</i>		<i>(\$ 245,000,000)</i>	<i>(\$ 245,000,000)</i>	<i>(\$ 245,000,000)</i>	<i>(+2,245,000,000)</i>		
<i>Transition period.....</i>		<i>(600,000,000)</i>	<i>(600,000,000)</i>	<i>(600,000,000)</i>			
Payments for operation of low-income housing projects (contract authority).....		525,000,000	525,000,000	550,000,000	+550,000,000	+25,000,000	+25,000,000
<i>Transition period.....</i>		80,000,000	80,000,000	80,000,000			
<i>Appropriation to liquidate contract authority.....</i>		<i>(555,000,000)</i>	<i>(555,000,000)</i>	<i>(550,000,000)</i>	<i>(+550,000,000)</i>	<i>(+25,000,000)</i>	<i>(+25,000,000)</i>
<i>Transition period.....</i>		<i>(80,000,000)</i>	<i>(80,000,000)</i>	<i>(80,000,000)</i>			
Salaries and expenses, Housing programs.....			195,116,000	36,466,000	+36,466,000	+36,466,000	-158,650,000
<i>By transfer.....</i>				<i>2 158,650,000</i>	<i>+158,650,000</i>	<i>+158,650,000</i>	<i>+158,650,000</i>
<i>Transition period.....</i>			49,800,000	9,950,000		+9,950,000	-39,850,000
<i>By transfer.....</i>				<i>2 39,850,000</i>	<i>+39,850,000</i>	<i>+39,850,000</i>	<i>+39,850,000</i>
Salaries and expenses, Housing production and mortgage credit programs.....	13,673,000	14,100,000			-13,673,000	-14,100,000	
<i>Transition period.....</i>		4,265,000				-4,265,000	
Salaries and expenses, Housing management programs.....	24,097,000	28,400,000			-24,097,000	-28,400,000	
<i>Transition period.....</i>		7,225,000				-7,225,000	
<b>GOVERNMENT NATIONAL MORTGAGE ASSOCIATION</b>							
Emergency Mortgage Purchase Assistance (borrowing authority).....		<sup>3</sup> 5,000,000,000		5,000,000,000	+5,000,000,000		+5,000,000,000
Payment of participation sales insufficiencies.....	22,883,000	20,935,000	20,935,000	20,935,000	-1,943,000		
<i>Transition period.....</i>		5,291,000	5,291,000	5,291,000			
Total, Housing programs.....	2,380,653,000	6,250,735,000	1,423,351,000	6,399,701,000	+4,089,048,000	+148,966,000	+4,976,350,000
<i>Transition period.....</i>		96,781,000	135,091,000	95,241,000		-1,540,000	-39,850,000
<b>COMMUNITY PLANNING AND DEVELOPMENT</b>							
Rehabilitation Loan Fund.....				50,000,000	+50,000,000	+50,000,000	+50,000,000
Community development grants.....	50,000,000	50,000,000	90,000,000	150,000,000	+100,000,000	+100,000,000	+60,000,000
Contract authority.....	2,179,625,000	<sup>2</sup> 2,700,000,000	1,736,000,000	1,700,000,000	-479,625,000	1,000,000,000	-36,000,000
Transfer of unexpended balance from the College housing loan fund (borrowing authority).....			<i>(964,000,000)</i>	<i>(964,000,000)</i>	<i>(+964,000,000)</i>	<i>(+964,000,000)</i>	
<i>Appropriation to liquidate contract authority.....</i>	<i>(\$ 179,625,000)</i>	<i>(\$ 700,000,000)</i>	<i>(\$ 700,000,000)</i>	<i>(\$ 664,000,000)</i>	<i>(+484,375,000)</i>	<i>(-36,000,000)</i>	<i>(-36,000,000)</i>
Comprehensive planning grants.....	100,000,000	<sup>4</sup> 50,000,000	50,000,000	125,000,000	+25,000,000	+75,000,000	+75,000,000
Urban renewal programs (contract authority).....	197,000,000				-197,000,000		
<i>Appropriation to liquidate contract authority.....</i>	<i>(197,000,000)</i>				<i>(-197,000,000)</i>		
Model cities programs.....	123,375,000				-123,375,000		
Salaries and expenses, Community Planning and Development Programs.....	40,219,000	42,640,000	41,740,000	41,740,000	+1,521,000	-900,000	
<i>Transition period.....</i>		10,500,000	10,500,000	10,500,000			
Total, Community Planning and Development.....	2,690,219,000	2,842,840,000	1,917,740,000	2,086,740,000	-823,479,000	-775,900,000	+149,000,000
<i>Transition period.....</i>		10,500,000	10,500,000	10,500,000			

See footnotes at end of table.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued**

Agency and item  (1)	New budget (obligational) authority fiscal year 1975  (2)	Budget estimates of new budget (obligational) authority fiscal year 1976 and transition period  (3)	New budget (obligational) authority recommended in House bill  (4)	Committee recommendation  (5)	Increase (+) or decrease (-), Senate bill compared with—		
					Appropriations 1975  (6)	Estimates 1976  (7)	House bill  (8)
<b>TITLE I—Continued</b>							
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Continued</b>							
<b>FEDERAL INSURANCE ADMINISTRATION</b>							
Flood insurance.....	50,000,000	75,000,000	75,000,000	75,000,000	+25,000,000		
Transition period.....		18,750,000	18,750,000	18,750,000			
<b>OFFICE OF INTERSTATE LAND SALES REGISTRATION</b>							
Interstate land sales.....		2,726,000	2,726,000	2,726,000	+2,726,000		
Transition period.....		645,000	645,000	645,000			
<b>POLICY DEVELOPMENT AND RESEARCH</b>							
Research and technology.....	65,000,000	57,000,000	53,000,000	53,200,000	-11,800,000	-3,800,000	+200,000
Transition period.....		16,250,000	15,500,000	15,500,000		-750,000	
Salaries and expenses, Policy Development and Research.....	6,320,000	7,210,000	6,765,000	6,765,000	+445,000	-445,000	
Transition period.....		1,845,000	1,700,000	1,700,000		-145,000	
<b>Total, Policy Development and Research.....</b>	<b>71,320,000</b>	<b>64,210,000</b>	<b>59,765,000</b>	<b>59,965,000</b>	<b>-11,355,000</b>	<b>-4,245,000</b>	<b>+200,000</b>
Transition period.....		18,095,000	17,200,000	17,200,000		-895,000	
<b>FAIR HOUSING AND EQUAL OPPORTUNITY</b>							
Fair housing and equal opportunity.....	11,887,000	12,735,000	12,735,000	12,735,000	+848,000		
Transition period.....		3,265,000	3,265,000	3,265,000			

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<b>DEPARTMENTAL MANAGEMENT</b>							
General departmental management.....	5,547,000	5,905,000	5,905,000	5,905,000	+358,000		
Transition period.....		1,510,000	1,510,000	1,510,000			
Salaries and expenses, Office of General Counsel.....	3,548,000	3,765,000	4,964,000	3,464,000	-84,000	-301,000	-1,500,000
By transfer.....				11,760,000	+1,760,000	+1,760,000	+1,760,000
Transition period.....		965,000	1,287,000	885,000		-80,000	-402,000
By transfer.....				1,465,000		+465,000	+465,000
Salaries and expenses, Office of Inspector General.....	6,822,000	7,245,000	10,280,000	7,245,000	+423,000		-3,035,000
By transfer.....				13,035,000	+3,035,000	+3,035,000	+3,035,000
Transition period.....		1,805,000	2,615,000	1,805,000			-810,000
By transfer.....				1,810,000		+810,000	+810,000
Administration and staff services.....	19,255,000	22,754,000	53,125,000	22,033,000	+2,778,000	-712,000	-31,092,000
By transfer.....				131,092,000	+31,092,000	+31,092,000	+31,092,000
Transition period.....		5,785,000	12,083,000	5,608,000		-177,000	-7,195,000
By transfer.....				17,195,000		+7,195,000	+7,195,000
Regional management and services.....	29,234,000	28,795,000	36,032,000	25,444,000	-3,790,000	-3,351,000	-10,588,000
By transfer.....				116,580,000	+16,580,000	+16,580,000	+16,580,000
Transition period.....		7,270,000	9,077,000	6,429,000		-841,000	-2,648,000
By transfer.....				13,905,000		+3,905,000	+3,905,000
<b>Total, Departmental Management.....</b>	<b>64,406,000</b>	<b>68,455,000</b>	<b>110,306,000</b>	<b>64,091,000</b>	<b>-315,000</b>	<b>-4,364,000</b>	<b>-46,215,000</b>
Transition period.....		17,335,000	27,292,000	15,818,000		-1,517,000	-11,474,000
<b>Total, Department of Housing and Urban Development.....</b>	<b>5,248,485,000</b>	<b>9,316,501,000</b>	<b>3,601,523,000</b>	<b>3,680,958,000</b>	<b>+3,432,473,000</b>	<b>-636,543,000</b>	<b>+5,079,335,000</b>
Transition period.....		165,371,000	212,743,000	161,838,000		-3,533,000	-50,905,000

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See footnotes at end of table.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued**

Agency and item (1)	New budget (obligational) authority fiscal year 1975 (2)	Budget estimates of new budget (obligational) authority fiscal year 1976 and transition period (3)	New budget (obligational) authority recommended in House bill (4)	Committee recommendation (5)	Increase (+) or decrease (-), Senate bill compared with—		
					Appropriations 1975 (6)	Estimates 1976 (7)	House bill (8)
<b>TITLE I—Continued</b>							
<b>FUNDS APPROPRIATED TO THE PRESIDENT</b>							
<b>FEDERAL DISASTER ASSISTANCE ADMINISTRATION</b>							
Disaster relief.....	200,000,000	150,000,000	150,000,000	150,000,000	-50,000,000		
Transition period.....		37,500,000	37,500,000	37,500,000			
<b>Total, Title I:</b>							
New budget (obligational) authority.....	5,448,485,000	9,466,501,000	3,751,623,000	8,830,958,000	+3,382,473,000	-635,543,000	+5,079,335,000
Transition period.....		202,371,000	250,243,000	199,338,000		-3,533,000	-50,905,000
Appropriations.....	(3,071,860,000)	(579,201,000)	(806,323,000)	(863,658,000)	(-2,208,262,000)	(+284,457,000)	(+55,335,000)
Transition period.....		(122,371,000)	(170,243,000)	(119,338,000)		(-3,533,000)	(-50,905,000)
Contract authority.....	(2,376,625,000)	(3,887,300,000)	(2,943,300,000)	(2,967,300,000)	(+590,675,000)	(-920,000,000)	(+24,000,000)
Transition period.....		(80,000,000)	(80,000,000)	(80,000,000)			
Borrowing authority.....		5,000,000,000		(5,000,000,000)	(+5,000,000,000)		(+5,000,000,000)
Appropriations to liquidate contract authority.....	(3,376,825,000)	(5,470,000,000)	(5,470,000,000)	(5,494,000,000)	(+3,117,375,000)	(+84,000,000)	(+84,000,000)
Transition period.....		(680,000,000)	(680,000,000)	(680,000,000)			

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Transfer of FHA fund limitation.....				\$10,107,000	+210,107,000	+210,107,000	+210,107,000
Transition period.....				52,225,000	+52,225,000	+52,225,000	+52,225,000
<b>TITLE II</b>							
<b>INDEPENDENT AGENCIES</b>							
<b>AMERICAN BATTLE MONUMENTS COMMISSION</b>							
Salaries and expenses.....	4,779,000	5,012,000	5,012,000	5,012,000	+233,000		
Transition period.....		1,450,000	1,450,000	1,450,000			
<b>CONSUMER PRODUCT SAFETY COMMISSION</b>							
Salaries and expenses.....	7,369,954,000	36,595,000	42,790,000	40,849,000	+3,895,000	+4,254,000	-1,941,000
Transition period.....		9,148,000	10,697,000	10,213,000		+1,065,000	-484,000
<b>DEPARTMENT OF DEFENSE—CIVIL CEMETERY EXPENSES, ARMY</b>							
Salaries and expenses.....	253,000	5,617,000	5,615,000	5,615,000	+5,357,000	-2,000	
Transition period.....		966,000	966,000	966,000			
<b>ENVIRONMENTAL PROTECTION AGENCY</b>							
Agency and regional management.....	57,216,000	65,700,000	65,374,000	65,374,000	+8,158,000	-326,000	
Transition period.....		17,000,000	16,923,000	16,923,000		-77,000	
Energy research and development.....	134,000,000	112,000,000	100,000,000	100,000,000	-34,000,000	-12,000,000	
Transition period.....		21,000,000	21,000,000	21,000,000			
Research and development.....	170,638,000	163,400,000	170,674,000	170,674,000	+36,000	+7,274,000	
Transition period.....		43,000,000	42,923,000	42,923,000		-77,000	
Abatement and control.....	283,401,000	339,700,000	370,766,000	370,766,000	+87,365,000	+31,066,000	
Transition period.....		77,500,000	92,639,000	92,639,000		+15,139,000	
Appropriation to liquidate contract authority.....	(86,000,000)	(65,000,000)	(65,000,000)	(65,000,000)	(+39,000,000)		
Transition period.....		(19,000,000)	(19,000,000)	(19,000,000)			

See footnotes at end of table.

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**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued**

Agency and item  (1)	New budget (obligational) authority fiscal year 1975  (2)	Budget estimates of new budget (obligational) authority fiscal year 1976 and transition period  (3)	New budget (obligational) authority recommended in House bill  (4)	Committee recommendation  (5)	Increase (+) or decrease (-), Senate bill compared with—		
					Appropriations 1975  (6)	Estimates 1976  (7)	House bill  (8)
<b>TITLE II—Continued</b>							
<b>INDEPENDENT AGENCIES—Continued</b>							
<b>ENVIRONMENTAL PROTECTION AGENCY—Con.</b>							
Enforcement.....	53,340,000	53,900,000	53,606,000	53,606,000	+266,000	-294,000	-----
Transition period.....	-----	14,000,000	13,931,000	13,931,000	-----	-69,000	-----
Buildings and facilities.....	1,400,000	2,100,000	2,100,000	2,100,000	+700,000	-----	-----
Transition period.....	-----	500,000	500,000	500,000	-----	-----	-----
Construction grants (appropriation to liquidate contract authority).....	(1,400,000,000)	(800,000,000)	(600,000,000)	(600,000,000)	(-800,000,000)	-----	-----
Transition period.....	-----	(800,000,000)	(600,000,000)	(600,000,000)	-----	-----	-----
Scientific activities overseas (Special foreign currency program).....	-----	8,000,000	6,000,000	4,000,000	+4,000,000	-2,000,000	-2,000,000
Transition period.....	-----	1,000,000	1,000,000	670,000	-----	-330,000	-330,000
Total, Environmental Protection Agency..	699,995,000	742,800,000	768,520,000	766,520,000	+66,525,000	+23,720,000	-2,000,000
Transition period.....	-----	174,000,000	188,918,000	188,586,000	-----	+14,588,000	-330,000
<b>EXECUTIVE OFFICE OF THE PRESIDENT</b>							
Council on Environmental Quality and Office of Environmental Quality.....	2,500,000	2,750,000	2,736,000	2,736,000	+236,000	-14,000	-----
Transition period.....	-----	700,000	697,000	697,000	-----	-3,000	-----

<b>GENERAL SERVICES ADMINISTRATION</b>							
Consumer Information Center.....	996,000	1,056,000	1,054,000	1,054,000	+58,000	-2,000	-----
Transition period.....	-----	264,000	264,000	264,000	-----	-----	-----
<b>DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE</b>							
Office of Consumer Affairs.....	1,465,000	1,488,000	1,488,000	1,488,000	+23,000	-----	-----
Transition period.....	-----	386,000	372,000	372,000	-----	-13,000	-----
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>							
Research and development.....	<sup>10</sup> 2,331,015,000	2,678,380,000	2,628,980,000	2,685,380,000	+354,365,000	+7,000,000	+56,400,000
Transition period.....	-----	730,600,000	700,600,000	700,600,000	-----	-30,000,000	-----
Construction of facilities.....	140,155,000	84,620,000	82,130,000	82,130,000	-58,025,000	-2,490,000	-----
Transition period.....	-----	14,500,000	10,750,000	10,750,000	-----	-3,750,000	-----
Research and program management.....	759,975,000	776,000,000	775,512,000	775,512,000	+15,537,000	-488,000	-----
Transition period.....	-----	213,800,000	213,678,000	213,678,000	-----	-122,000	-----
Total, National Aeronautics and Space Administration.....	3,231,145,000	3,539,000,000	3,486,622,000	3,543,022,000	+311,877,000	+4,022,000	+56,400,000
Transition period.....	-----	958,900,000	925,028,000	925,028,000	-----	-33,872,000	-----
<b>NATIONAL COMMISSION ON WATER QUALITY</b>							
Salaries and expenses.....	6,800,000	-----	-----	-----	-6,800,000	-----	-----
<b>NATIONAL SCIENCE FOUNDATION</b>							
Salaries and expenses.....	<sup>11 12</sup> 711,570,000	751,400,000	707,100,000	713,100,000	+1,530,000	-38,300,000	+6,000,000
Transition period.....	-----	167,200,000	167,134,000	167,134,000	-----	-66,000	-----
Scientific activities (special foreign currency program).....	4,850,000	4,000,000	4,000,000	4,000,000	-850,000	-----	-----
Transition period.....	-----	500,000	500,000	500,000	-----	-----	-----
Total, National Science Foundation.....	716,420,000	755,400,000	711,100,000	717,100,000	+680,000	-38,300,000	+6,000,000
Transition period.....	-----	167,700,000	167,634,000	167,634,000	-----	-66,000	-----

See footnotes at end of table.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued**

Agency and item  (1)	New budget (obligational) authority fiscal year 1975  (2)	Budget estimates of new budget (obligational) authority fiscal year 1976 and transition period  (3)	New budget (obligational) authority recommended in House bill  (4)	Committee recommendation  (5)	Increase (+) or decrease (-), Senate bill compared with—		
					Appropriations 1975  (6)	Estimates 1976  (7)	House bill  (8)
<b>TITLE II—Continued</b>							
<b>INDEPENDENT AGENCIES—Continued</b>							
<b>SELECTIVE SERVICE SYSTEM</b>							
Salaries and expenses.....	45,000,000	47,887,000	40,000,000	33,000,000	-12,000,000	-14,887,000	-7,000,000
Transition period.....		9,300,000	8,800,000	6,850,000		-2,450,000	-1,450,000
<b>VETERANS' ADMINISTRATION</b>							
Compensation and pensions.....	7,589,400,000	<sup>13</sup> 7,699,700,000	7,499,700,000	7,699,700,000	+160,300,000		+200,000,000
Transition period.....		<sup>14</sup> 1,966,400,000	1,885,400,000	1,966,400,000			+81,000,000
Readjustment benefits.....	4,550,738,000	<sup>14</sup> 5,414,475,000	4,214,475,000	5,414,475,000	+863,737,000		+1,200,000,000
Transition period.....		<sup>14</sup> 1,039,472,000	854,472,000	1,039,472,000			+185,000,000
Veterans insurance and indemnities.....	8,750,000	6,600,000	6,600,000	6,600,000	-2,150,000		
Transition period.....		2,450,000	2,450,000	2,450,000			
Medical care.....	3,317,520,000	3,667,866,000	3,666,711,000	3,666,711,000	+349,191,000	-1,155,000	
Transition period.....		949,702,000	949,413,000	949,413,000		-289,000	
Medical and prosthetic research.....	91,377,000	95,000,000	95,000,000	95,000,000	+3,623,000		
Transition period.....		24,714,000	24,714,000	24,714,000			
Assistance for health manpower training institutions.....	10,000,000	30,000,000	30,000,000	30,000,000	+20,000,000		
Transition period.....		8,332,000	8,332,000	8,332,000			
Medical administration and miscellaneous operating expenses.....	37,508,000	38,528,000	38,528,000	38,528,000	+1,020,000		
Transition period.....		10,230,000	10,230,000	10,230,000			
General operating expenses.....	432,028,000	<sup>17</sup> 468,457,000	462,300,000	463,756,000	+31,728,000	-2,701,000	+1,456,000
Transition period.....		112,844,000	112,164,000	112,164,000		-680,000	
Construction, major projects.....	251,127,000	297,464,000	299,924,000	297,464,000	+46,337,000		-2,460,000
Transition period.....		15,860,000	15,860,000	15,860,000			
Construction, minor projects.....	51,894,000	106,426,000	106,426,000	106,426,000	+54,532,000		
Transition period.....		16,490,000	16,490,000	16,490,000			
Grants for construction of State extended care facilities.....	9,700,000	10,000,000	10,000,000	10,000,000	+300,000		
Grants to the Republic of the Philippines.....	2,050,000	2,100,000	2,100,000	2,100,000	+50,000		
Transition period.....		525,000	525,000	525,000			
Payment of participation sales insufficiencies.....	1,828,000	3,148,000			-1,828,000	-3,148,000	
Loan guaranty revolving fund (limitation on obligations).....	(500,000,000)	(550,000,000)	(550,000,000)	(550,000,000)	(+50,000,000)		
Transition period.....		(150,000,000)	(150,000,000)	(+150,000,000)			
Vocational rehabilitation revolving fund.....	97,000				-97,000		
<b>Total, Veterans Administration.....</b>	<b>16,304,017,000</b>	<b>17,837,764,000</b>	<b>16,481,764,000</b>	<b>17,830,760,000</b>	<b>+1,526,743,000</b>	<b>-7,004,000</b>	<b>+1,398,996,000</b>
Transition period.....		4,147,019,000	3,880,050,000	4,146,050,000		-969,000	+266,000,000
<b>Total, Title II: New budget (obligational) authority.....</b>	<b>21,050,329,000</b>	<b>22,975,369,000</b>	<b>21,496,701,000</b>	<b>22,947,156,000</b>	<b>+1,896,827,000</b>	<b>-28,213,000</b>	<b>+1,450,455,000</b>
Transition period.....		5,489,832,000	5,184,374,000	5,448,110,000		-21,722,000	+263,736,000
<i>Appropriations to liquidate contract authority.....</i>	<i>(1,426,000,000)</i>	<i>(565,000,000)</i>	<i>(565,000,000)</i>	<i>(565,000,000)</i>	<i>(-861,000,000)</i>		
Transition period.....		<i>(619,000,000)</i>	<i>(619,000,000)</i>	<i>(619,000,000)</i>			

See footnotes at end of table.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued**

Agency and item  (1)	New budget (obligational) authority fiscal year 1975  (2)	Budget estimates of new budget (obligational) authority fiscal year 1976 and transition period  (3)	New budget (obligational) authority recommended in House bill  (4)	Committee recommendation  (5)	Increase (+) or decrease (-), Senate bill compared with—		
					Appropriations 1975  (6)	Estimates 1976  (7)	House bill  (8)
<b>TITLE III</b>							
<b>CORPORATIONS</b>							
<i>Department of Housing and Urban Development:</i>							
<i>Federal Housing Administration:</i>							
Administrative expenses .....	(14,290,000)	(16,145,700)			(-14,290,000)	(-16,145,000)	
Transition period .....		(3,945,000)				(-3,945,000)	
Nonadministrative expenses .....	(180,500,000)	(183,982,000)			(-180,500,000)	(-183,982,000)	
Transition period .....		(48,280,000)				(-48,280,000)	
<i>Government National Mortgage Association:</i>							
Administrative expenses .....	(8,113,000)	(1,240,000)	(1,240,000)	(1,240,000)	(-8,873,000)		
Transition period .....		(350,000)	(350,000)	(350,000)			
<i>Federal Home Loan Bank Board:</i>							
Administrative expenses .....	(10,677,000)	(14,765,000)	(14,665,000)	(14,665,000)	(+3,988,000)	(-100,000)	
Transition period .....		(3,680,000)	(3,650,000)	(3,650,000)		(-30,000)	
Nonadministrative expenses .....	(80,956,000)	(19,645,000)	(19,585,000)	(19,585,000)	(-1,361,000)	(-58,000)	
Transition period .....		(4,905,000)	(4,900,000)	(4,900,000)		(-5,000)	
<i>Federal Savings and Loan Insurance Corporation:</i>							
Administrative expenses .....	(772,000)	(820,000)	(820,000)	(820,000)	(+48,000)	(-10,000)	
Transition period .....		(203,000)	(203,000)	(203,000)		(-3,000)	

<i>Total: Title III Corporations (administrative and nonadministrative expenses) .....</i>	(245,223,000)	(246,585,000)	(26,310,000)	(26,310,000)	(-208,218,000)	(-210,275,000)	
<i>Transition period .....</i>		(61,367,000)	(9,103,000)	(9,103,000)		(-52,264,000)	
<b>RECAPITULATION</b>							
Grand total, titles I, II, and III:							
New budget (obligational) authority .....	26,498,814,000	32,441,870,000	25,248,324,000	31,778,114,000	+5,279,300,000	-663,756,000	+6,529,790,000
Transition period .....		5,672,703,000	5,434,617,000	5,647,448,000		-25,255,000	+212,831,000
Appropriations .....	(24,122,189,000)	(23,554,570,000)	(22,305,024,000)	(23,810,814,000)	(-311,375,000)	(+256,244,000)	(+1,505,790,000)
Transition period .....		(5,592,703,000)	(5,354,617,000)	(5,567,448,000)		(-25,255,000)	(+212,831,000)
Contract authority .....	(2,376,625,000)	(3,887,300,000)	(2,943,300,000)	(2,967,300,000)	(+590,875,000)	(-920,000,000)	(+24,000,000)
Transition period .....		(80,000,000)	(80,000,000)	(80,000,000)			
Borrowing authority .....		5,000,000,000		5,000,000,000	+5,000,000,000		+5,000,000,000
Appropriations to liquidate contract authority .....	(3,302,625,000)	(6,035,000,000)	(6,035,000,000)	(6,035,000,000)	(+2,256,375,000)	(+24,000,000)	(+24,000,000)
Transition period .....		(1,299,000,000)	(1,299,000,000)	(1,299,000,000)			
Transfer of FHA fund limitation .....				(210,107,000)	(+210,107,000)	(+210,107,000)	(+210,107,000)
Transition period .....				(52,225,000)		(+52,225,000)	(+52,225,000)
Limitation on corporate funds to be expended .....	(245,223,000)	(246,585,000)	(26,310,000)	(26,310,000)	(-208,218,000)	(-210,275,000)	
Transition period .....		(61,367,000)	(9,103,000)	(9,103,000)		(-52,264,000)	

<sup>1</sup> This represents the authority to enter into contracts that could run over a period of up to forty years. However, because of uncertainty over the actual use of this authority the Committee has chosen to include only the maximum first year cost of the contracts as new budget (obligational) authority.

<sup>2</sup> These funds to be derived from available receipts of the Federal Housing Administration.

<sup>3</sup> Includes \$200,000,000 requested in H. Doc. 94-98.

<sup>4</sup> The \$50,000,000 was requested in H. Doc. 94-133.

<sup>5</sup> The \$5,000,000,000 was requested in S. Doc. 94-85. It represents mortgage purchase authority.

<sup>6</sup> Includes \$8,000,000 in deferred funds to be available in fiscal 1976.

<sup>7</sup> Reflects rescission of \$500,000 included in Public Law 94-15.

<sup>8</sup> Does not include \$5,030,000 transferred to Energy Research and Development Administration.

<sup>9</sup> Includes \$9,375,000 in deferred funds to be available in fiscal 1976.

<sup>10</sup> Includes \$72,000,000 in deferred funds to be available in fiscal 1976.

<sup>11</sup> Includes \$20,000,000 in deferred funds to be available in fiscal 1976.

<sup>12</sup> Does not include \$51,730,000 transferred to the Energy Research and Development Administration.

<sup>13</sup> Includes \$200,000,000 requested in S. Doc. 94-83.

<sup>14</sup> Includes \$31,000,000 requested in S. Doc. 94-83.

<sup>15</sup> Includes \$1,200,000,000 requested in S. Doc. 94-83.

<sup>16</sup> Includes \$185,000,000 requested in S. Doc. 94-83.

<sup>17</sup> Includes \$13,500,000 requested in S. Doc. 94-83.

MAKING APPROPRIATIONS FOR THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, AND FOR SUNDRY INDEPENDENT EXECUTIVE AGENCIES FOR THE FISCAL YEAR ENDING JUNE 30, 1976, AND THE PERIOD ENDING SEPTEMBER 30, 1976

SEPTEMBER 23, 1975.—Ordered to be printed

Mr. BOLAND, from the committee of conference,  
submitted the following

CONFERENCE REPORT

[To accompany H.R. 8070]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8070) "making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 13, 16, 17, 38, 45, and 58.

That the House recede from its disagreement to the amendments of the Senate numbered 9, 10, 12, 18, 20, 22, 23, 24, 25, 26, 28, 30, 34, 35, 46, 47, 48, 49, 51, 53, and 54, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the matter proposed by said amendment insert the following:

EMERGENCY HOMEOWNERS' RELIEF FUND

*For emergency mortgage relief payments and for other expenses of the Emergency Homeowners' Relief Fund, as authorized by title I of the Emergency Housing Act of 1975 (Public Law 94-50), \$35,000,000, to remain available until September 30, 1976.*

And the Senate agree to the same.



Amendment numbered 40:

That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$4,500,000; and the Senate agree to the same.

Amendment numbered 41:

That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,500,000; and the Senate agree to the same.

Amendment numbered 44:

That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$37,500,000; and the Senate agree to the same.

Amendment numbered 50:

That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$462,450,000; and the Senate agree to the same.

Amendment numbered 52:

That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment as follows:

In lieu of the matter stricken by said amendment insert a comma. And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 3, 5, 11, 42, 43, 55, 56, 57, and 59.

EDWARD P. BOLAND,  
JOE L. EVINS,  
GEORGE E. SHIPLEY,  
J. EDWARD ROUSH,  
BOB TRAXLER,  
MAX BAUCUS,  
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*Managers on the Part of the House.*

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CLIFFORD P. CASE,  
HIRAM L. FONG,  
HENRY BELLMON,  
MILTON R. YOUNG,  
*Managers on the Part of the Senate.*

## JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8070) making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying report:

### TITLE I—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Amendment No. 1: Appropriates \$35,000,000 for the Emergency Homeowners' Relief Fund as authorized by title I of the Emergency Housing Act of 1975, to remain available until September 30, 1976, instead of \$75,000,000, to remain available until expended, as proposed by the Senate. Language permitting the use of funds for administrative expenses has been deleted. The Committee of conference is agreed that any funds necessary for this purpose may be made available from other appropriations.

Amendment No. 2: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to appropriate \$15,000,000 for interest grant payments to State housing finance and development agencies, and provide authority to contract for annual payments not to exceed \$15,000,000 with new budget authority of not to exceed \$600,000,000, instead of an appropriation and authority to contract for annual payments not to exceed \$35,000,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 3: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment containing revised language to replace that stricken out and inserted by the Senate.

The amendment will include a limitation of \$17,000,000,000 on the total amount of budget authority that can be obligated by use of the additional \$662,300,000 of annual contract authority being made available. The conference committee believes there is a need for establishment of a realistic level for the budget authority (runout costs) for this program for congressional and executive budgetary, appropriation and accounting actions. This approach will further the congressional objective of realistic disclosure of program costs and establish

a basis for congressional budgetary control by establishing a program level from which Congress can determine whether actual program levels exceed or fall short of expectations.

With respect to the \$662,300,000 of additional annual contract authority covered by this bill, the House and Senate have proposed two significantly different amounts for the resulting budget authority. The budget authority of \$26,000,000,000 included in the President's budget and in the first concurrent resolution on the budget represents the maximum runout cost if all contracts entered into by HUD had a 40-year duration. HUD's program plan is for a mix of 15, 20, and 40-year contracts. The \$26,000,000,000 could therefore be unrealistic and misleading and would not serve as an effective control over the program.

Using HUD's program plan and available cost data, various estimates of realistic anticipated costs have been prepared ranging from about \$16,300,000,000 to \$17,400,000,000. The conference committee established the limitation at \$17,000,000,000. Since this estimate is based on the program plan and available cost data, both the Congress and the executive have an understanding of the extent of the authority being granted and Congress has a basis for monitoring HUD's program implementation.

The conference committee recognizes that this is a new program and thus actual experience will no doubt vary from the plan. The committee is also very concerned that HUD meet its 400,000 unit program objective and stay within the authorized levels of annual contract authority and budget authority. To meet these objectives, HUD should establish management and accounting procedures and controls for (1) the number of housing units by type of housing and type of contract, (2) the amounts of annual contract authority, and (3) the amounts of budget authority (runout cost). Furthermore, HUD is expected to keep the Congress advised of its progress in these terms.

The conference committee also recognizes that HUD's program for assisted housing for fiscal year 1976 is for 400,000 units, utilizing the \$662,300,000 of annual contract authority covered by this bill *plus* about \$920,000,000 carried over from fiscal year 1975. The use of the combined annual contract authority of \$1,582,300,000 for the mix of housing planned will result in the obligation of budget authority of about \$39,000,000,000. The conference committee chose not to establish a limitation on this aggregate amount of budget authority at this time. However, to implement fully the congressional budget control procedures and to establish realistic program cost bases for congressional oversight, such additional limitations will probably be needed in future years.

The amendment includes language earmarking \$50,000,000 to assist in financing the development or acquisition of low-income housing projects to be owned by public housing agencies other than under the section 8 program, instead of \$75,000,000 as proposed by the Senate. The amendment also includes language limiting the fair market rent basis for housing assistance under the section 8 program to an aggregate escalation of 10 per centum, and 20 per centum in individual market areas, based on rates published in the Federal Register through September 8, 1975, instead of the language proposed by the House. Finally, the amendment includes language requiring at least 50 per

centum of the funds made available to be used for newly constructed housing, instead of 75 per centum as proposed by the Senate.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees concur in the statement in the Senate report relating to the Kendall Square Urban Renewal program to permit its completion in a sound and orderly manner.

Amendment No. 4: Establishes a limitation on the aggregate loans that may be made for housing for the elderly or handicapped at \$375,000,000 instead of \$300,000,000 as proposed by the House and \$500,000,000 as proposed by the Senate.

Amendment No. 5: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to provide for 100 per centum permanent financing loans with any cash equity or other financial commitments imposed as a condition of loan approval to be returned to the sponsor if sustaining occupancy is achieved in a reasonable period of time.

The committee of conference recognizes the outstanding achievements of the Section 202 housing for the elderly or handicapped program. The conferees believe that permanent financing of such housing must remain under the jurisdiction of the Federal Government and must be administered flexibly and with concern for helping nonprofit sponsors solve operating and financial problems without resorting to foreclosure actions. The temporary cash equity provision is to provide an incentive to encourage effective management of elderly and handicapped projects, and prevent the misuse of the program by speculators or unqualified sponsors. Because it is not intended to place any financial hardship on nonprofit sponsors, the committee of conference is agreed that a cash equity requirement should not exceed \$10,000.

The managers on the part of the Senate will offer a motion to concur in the amendment of the House to the amendment of the Senate.

Amendments Nos. 6 and 7: Appropriates \$535,000,000 for payments for operation of low-income housing projects, instead of \$525,000,000 as proposed by the House and \$550,000,000 as proposed by the Senate. The committee of conference has provided this additional funding in the belief that it will be needed to meet inflationary increases in the costs of operating public housing projects. These added funds are not to be used to dilute or in any way interfere with the implementation of the performance funding system.

Amendment No. 8: Appropriates \$199,000,000 for salaries and expenses, housing programs, instead of \$195,116,000 as proposed by the House and \$199,616,000 as proposed by the Senate.

Amendment No. 9: Inserts language as proposed by the Senate transferring \$158,650,000 from the various funds of the Federal Housing Administration for salaries and expenses, housing programs.

Amendment No. 10: Inserts language proposed by the Senate to transfer \$39,850,000 from the various funds of the Federal Housing Administration for salaries and expenses, housing programs, for the transition period.

Amendment No. 11: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to insert language providing not to exceed \$5,000,000,000 for emergency mortgage purchase assistance. The committee of conference urges the Department to move as soon as possible to use a part of these funds to meet emergency housing requirements at Guam.

Amendment No. 12: Appropriates \$50,000,000 for the rehabilitation loan fund as proposed by the Senate. The committee of conference is concerned by the large number of initial loan reservations that never reach fruition and urges the Department to consider eliminating the early commitment procedure.

Amendment No. 13: Appropriates \$2,700,000,000 for community development grants as proposed by the House, instead of \$2,664,000,000 as proposed by the Senate.

Amendment No. 14: Appropriates \$52,000,000 for community development grants for the standard metropolitan statistical area balance, instead of \$40,000,000 as proposed by the House and \$100,000,000 as proposed by the Senate.

Amendment No. 15: Appropriates \$75,000,000 for comprehensive planning grants, instead of \$50,000,000 as proposed by the House and \$125,000,000 as proposed by the Senate. The committee of conference directs that a reasonable level of the funds provided for comprehensive planning grants be allocated to localities under 50,000 population which do not receive community development grants. The committee of conference is also agreed that community development grant funds shall be used for essential comprehensive planning for large cities.

Amendment No. 16: Appropriates \$53,000,000 for research and technology as proposed by the House, instead of \$53,200,000 as proposed by the Senate.

Amendment No. 17: Earmarks \$400,000 for the Housing Assistance Council as proposed by the House, instead of \$600,000 as proposed by the Senate.

Amendment No. 18: Inserts language as proposed by the Senate earmarking \$1,000,000 for mobile home construction and safety standard activities. The committee of conference is agreed that adequate staff should be available for developing mobile home construction and safety standards and implementing a solar heating and cooling demonstration program from within the funds provided for salaries and expenses, policy development and research.

Amendment No. 19: Appropriates \$5,089,000 for salaries and expenses, Office of General Counsel, instead of \$4,964,000 as proposed by the House and \$5,214,000 as proposed by the Senate.

Amendment No. 20: Inserts language as proposed by the Senate transferring \$1,750,000 from the various funds of the Federal Housing Administration for salaries and expenses, Office of General Counsel.

Amendment No. 21: Appropriates \$1,319,000 for salaries and expenses, Office of General Counsel, for the transition period, instead of \$1,287,000 as proposed by the House and \$1,350,000 as proposed by the Senate.

Amendment No. 22: Inserts language as proposed by the Senate transferring \$465,000 from the various funds of the Federal Housing

Administration for salaries and expenses, Office of General Counsel, for the transition period.

Amendment No. 23: Inserts language as proposed by the Senate transferring \$3,035,000 from the various funds of the Federal Housing Administration for salaries and expenses, Office of Inspector General.

Amendment No. 24: Inserts language as proposed by the Senate transferring \$810,000 from the various funds of the Federal Housing Administration for the transition period for salaries and expenses, Office of Inspector General.

Amendment No. 25: Inserts language proposed by the Senate to transfer \$31,092,000 from the various funds of the Federal Housing Administration for administration and staff services.

Amendment No. 26: Inserts language proposed by the Senate to transfer \$7,195,000 from the various funds of the Federal Housing Administration for administration and staff services for the transition period.

Amendment No. 27: Appropriates \$40,500,000 for regional management and services, instead of \$36,032,000 as proposed by the House and \$41,024,000 as proposed by the Senate.

Amendment No. 28: Inserts language as proposed by the Senate transferring \$15,580,000 from the various funds of the Federal Housing Administration for regional management and services.

Amendment No. 29: Appropriates \$10,000,000 for regional management and services, for the transition period, instead of \$9,077,000 as proposed by the House and \$10,334,000 as proposed by the Senate.

Amendment No. 30: Inserts language as proposed by the Senate transferring \$3,905,000 from the various funds of the Federal Housing Administration for regional management and services, for the transition period.

## TITLE II—INDEPENDENT AGENCIES

### CONSUMER PRODUCT SAFETY COMMISSION

Amendment No. 31: Appropriates \$41,820,000 for salaries and expenses, instead of \$42,790,000 as proposed by the House and \$40,849,000 as proposed by the Senate.

Amendment No. 32: Appropriates \$10,355,000 for salaries and expenses for the transition period, instead of \$10,697,000 as proposed by the House and \$10,213,000 as proposed by the Senate.

### ENVIRONMENTAL PROTECTION AGENCY

Amendment No. 33: Appropriates \$375,766,000 for abatement and control, instead of \$370,766,000 as proposed by the House and \$380,766,000 as proposed by the Senate. The committee of conference is agreed that the EPA may not reprogram existing or new positions otherwise authorized for work in connection with Chesapeake Bay research projects. The committee of conference directs that the additional positions required for this activity above existing and other new positions authorized in the bill shall be released by the Office of Management and Budget.

The committee of conference also notes that within the \$2,000,000 increase provided for academic training, funds are provided for a national work force for environment and energy. The committee is of the opinion that improved State efficiency in environmental training is needed in post-secondary education and that multi-categorical skills can be developed with the help of a national program.

In connection with the language in the House Report that EPA research and development on current industrial waste research programs should be continued at the present location in Corvallis, Oregon; Edison, New Jersey; Ada, Oklahoma; Athens, Georgia; and Grosse Ile, Michigan; in order to maintain regional responsiveness to industrial needs, the Congress desires that the research effort be carried on in the affected regions. This research work can be distinguished from the management functions, such as the letting of contracts. Such consolidation as is needed under the EPA Office of Research and Development Reorganization Plan to more effectively administer research and to make more personnel available for the research function should be implemented.

Amendment No. 34: Appropriates \$4,000,000 for scientific activities overseas as proposed by the Senate, instead of \$6,000,000 as proposed by the House.

Amendment No. 35: Appropriates \$670,000 for scientific activities overseas for the transition period as proposed by the Senate, instead of \$1,000,000 as proposed by the House.

#### NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Amendment No. 36: Appropriates \$2,677,380,000 for research and development, instead of \$2,628,980,000 as proposed by the House and \$2,685,380,000 as proposed by the Senate. The committee of conference is agreed that NASA may reprogram \$7,000,000 from within the total provided for research and development for an upper atmosphere research, technology and monitoring program. The committee of conference is also agreed that \$1,000,000 of the total funding of \$48,400,000 proposed for Pioneer-Venus may be reprogrammed for further planning of a Large Space Telescope in fiscal year 1976. Finally, the Committee is agreed that NASA may not obligate funds beyond evaluation of LST Phase B studies.

#### NATIONAL SCIENCE FOUNDATION

Amendment No. 37: Appropriates \$710,000,000 for salaries and expenses, instead of \$707,100,000 as proposed by the House and \$713,100,000 as proposed by the Senate. The committee of conference is agreed that \$11,500,000 may be used for the Ocean Sediment Coring Program. No funds in this appropriation are included for construction of coastal research vessels.

Amendment No. 38: Earmarks not more than \$60,000,000 for Research Applied to National Needs as proposed by the House, instead of \$65,000,000 as proposed by the Senate.

Amendment No. 39: Earmarks not more than \$50,000,000 for science education programs instead of \$60,000,000 as proposed by the House and \$41,000,000 as proposed by the Senate.

Amendments Nos. 40 and 41: Earmarks not more than \$4,500,000 for Intergovernmental Science and Research Utilization, instead of \$4,000,000 as proposed by the House and \$5,000,000 as proposed by the Senate; and of which not more than \$2,500,000 shall be for Intergovernmental Science instead of \$2,000,000 as proposed by the House and \$3,000,000 as proposed by the Senate.

Amendments Nos. 42 and 43: Reported in technical disagreement. The managers on the part of the House will offer motions to recede and concur in the amendments of the Senate to insert technical language clarifying the proportional concept of fund allocation.

#### SELECTIVE SERVICE SYSTEM

Amendment No. 44: Appropriates \$37,500,000 for salaries and expenses, instead of \$40,000,000 as proposed by the House and \$33,000,000 as proposed by the Senate.

The committee of conference recommends that the responsible legislative committees of the Congress make a general review of the program and future plans of the Selective Service as a basis for funding beyond fiscal year 1976.

Amendment No. 45: Appropriates \$8,300,000 for salaries and expenses for the transition period as proposed by the House, instead of \$6,850,000 as proposed by the Senate.

#### VETERANS' ADMINISTRATION

Amendment No. 46: Appropriates \$7,699,700,000 for compensation and pensions as proposed by the Senate, instead of \$7,499,700,000 as proposed by the House.

Amendment No. 47: Appropriates \$1,966,400,000 for compensation and pensions for the transition period as proposed by the Senate, instead of \$1,885,400,000 as proposed by the House.

Amendment No. 48: Appropriates \$5,414,475,000 for readjustment benefits as proposed by the Senate, instead of \$4,214,475,000 as proposed by the House.

Amendment No. 49: Appropriates \$1,039,472,000 for readjustment benefits for the transition period as proposed by the Senate, instead of \$854,472,000 as proposed by the House.

Amendment No. 50: Appropriates \$462,450,000 for general operating expenses, instead of \$462,300,000 as proposed by the House and \$463,756,000 as proposed by the Senate. The committee of conference has provided funds for 1,050 additional positions to meet increased benefits workload but has denied the 100 additional vet-rep positions.

Amendment No. 51: Appropriates \$297,464,000 for construction, major projects as proposed by the Senate, instead of \$299,924,000 as proposed by the House.

Amendment No. 52: Deletes the word "and" as proposed by the Senate and adds a comma.

Amendment No. 53: Earmarks \$6,700,000 for construction of a research and education facility at Jackson, Mississippi, as proposed by the Senate.

## TITLE III—CORPORATIONS

Amendment No. 54: Deletes language proposed by the House to reimburse the Treasury out of Federal Housing Administration funds as proposed by the Senate.

## TITLE IV—GENERAL PROVISIONS

Amendment No. 55: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to permit the Secretary to increase travel restrictions as necessary to cover FHA inspection and appraisal workload requirements. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 56: Reported in technical disagreement. The managers on the part of the House will offer a motion to restore language proposed by the House and stricken by the Senate to prohibit use of funds in this Act to administer any program to tax, limit, or otherwise regulate parking or the review of indirect sources, amended to prohibit the use of funds in this Act by the Environmental Protection Agency to promulgate any program to tax, limit or otherwise regulate parking that is not specifically required pursuant to subsequent legislation. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 57: Reported in technical disagreement. The managers on the part of the House will offer a motion to restore language proposed by the House and stricken by the Senate relating to certain noise control restrictions, amended to limit the application of such provision to Merced County, California. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 58: Deletes language proposed by the Senate relating to any illegal usage of passenger motor vehicles. The committee of conference is deeply concerned over the continuing use of government vehicles and drivers to transport agency heads and others to and from work that may be in violation of the letter as well as the spirit of the law. In deleting the language of the Senate, the committee of conference does not in any way condone or accept any illegal use of government vehicles.

Amendment No. 59: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to insert language requiring all funds provided in the bill to be subject to voucher and audit by the General Accounting Office.

## CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1976 and the transition period recommended by the committee of con-

ference, with comparisons to the fiscal year 1975 amounts, the 1976 budget estimates, and the House and Senate bills for 1976 follows:

New budget (obligational) authority, fiscal year 1975.....	\$26,498,814,000
Budget estimates of new (obligational) authority (as amended), fiscal year 1976.....	<sup>1</sup> 48,779,570,000
Transition period.....	5,672,703,000
House bill, fiscal year 1976.....	<sup>1</sup> 42,366,024,000
Transition period.....	5,434,617,000
Senate bill, fiscal year 1976.....	<sup>1</sup> 50,275,314,000
Transition period.....	5,647,448,000
Conference agreement.....	<sup>1</sup> 49,344,914,000
Transition period.....	5,648,675,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1975.....	+22,846,100,000
Budget estimates of new (obligational) authority (as amended), fiscal year 1976.....	+565,344,000
Transition period.....	-24,028,000
House bill, fiscal year 1976.....	+6,978,890,000
Transition period.....	+214,058,000
Senate bill, fiscal year 1976.....	-930,400,000
Transition period.....	+1,227,000

<sup>1</sup> The conference agreement includes \$17,000,000,000 in new budget (obligational) authority for the annual contributions for assisted housing program, instead of \$26,063,000,000 as in the 1976 budget request and House report, and \$662,300,000 in the Senate report.

EDWARD P. BOLAND,  
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MILTON R. YOUNG,  
*Managers on the Part of the Senate.*

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES APPROPRIATION BILL, 1976

JUNE 19, 1975.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. BOLAND, from the Committee on Appropriations, submitted the following

REPORT

together with

MINORITY and DISSENTING VIEWS

[To accompany H.R. 8070]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

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## SUMMARY OF THE BILL

The Committee recommends \$51,429,024,000 in new budget (obligational) authority for the Department of Housing and Urban Development and twelve independent agencies. This is \$46,000 below the budget request and \$24,930,210,000 above the amount appropriated in 1975. The bill also contains \$5,434,617,000 for the special transition period.

The large increase in new obligational authority above 1975 is directly attributable to a change in the method of scorekeeping budget authority for the assisted housing programs. Prior to fiscal year 1976, a commitment to enter into a 40-year housing subsidy contract was not counted as budget authority. Only when an appropriation was made to liquidate previous contract commitments was budget authority counted. This year the budget recognizes that the authority to enter into contracts is an authorization to make payments for as long as 40 years. Therefore, the \$682,300,000 of new annual contract authority provides a *maximum* of \$26,863,000,000 in new budget authority over a 40 year period.

On a comparable basis with 1975, after adjustments are made for annual contract authority and the direct appropriation of Federal Housing Administration corporate funds, the bill includes \$27,775,024,000 for 1976. This is \$46,153,000 below the budget request and is \$1,071,480,000 above the comparable amount provided in 1975.

It is interesting to note that witnesses appearing before the Committee representing a broad spectrum of interest groups appealed for more than one billion dollars above the budget request for the programs contained in the bill. This dramatically illustrates the budget priority dilemma and difficult decisions confronting the Committee and Congress when faced with a potential \$67 billion budget deficit and unmet needs in areas of critical concern to our Nation.

The following table summarizes the amounts recommended in the bill for fiscal year 1976 and the transition period.

SUMMARY OF ESTIMATES AND NEW BUDGET (OBLIGATIONAL) AUTHORITY IN BILL

Department or agency	Appropriations, 1975	Budget estimates, 1976, and transition period	Bill compared with—		
			Recommended in bill	Appropriations, 1975	Budget estimates, 1976, and transition period
(1)	(2)	(3)	(4)	(5)	(6)
American Battle Monuments Commission	\$4,779,000	\$5,012,000	\$5,012,000	+\$233,000	-----
Transition period		1,450,000	1,450,000		
Cemeterial Expenses, Army	258,000	5,617,000	5,615,000	+5,357,000	-\$2,000
Transition period		966,000	966,000		
Consumer Information Center	996,000	1,056,000	1,054,000	+58,000	-2,000
Transition period		264,000	264,000		
Consumer Product Safety Commission	36,954,000	36,595,000	42,790,000	+5,836,000	+6,195,000
Transition period		9,148,000	10,697,000		+1,549,000
Council on Environmental Quality	2,500,000	2,750,000	2,736,000	+236,000	-14,000
Transition period		700,000	697,000		-3,000
Department of Housing and Urban Development	5,248,485,000	29,717,201,000	29,782,323,000	+24,533,838,000	+65,122,000
Transition period		165,371,000	212,743,000		+47,372,000

SUMMARY OF ESTIMATES AND NEW BUDGET (OBLIGATIONAL) AUTHORITY IN BILL—Continued

Department or agency	Appropriations, 1975	Budget estimates, 1976, and transition period	Recommended in bill	Bill compared with—	
				Appropriations, 1975	Budget estimates, 1976, and transition period
(1)	(2)	(3)	(4)	(5)	(6)
Disaster Relief	\$200,000,000	\$150,000,000	\$150,000,000	-\$50,000,000	-----
Transition period		37,500,000	37,500,000		
Environmental Protection Agency	699,995,000	742,800,000	768,520,000	+68,525,000	+\$25,720,000
Transition period		174,000,000	188,916,000		+14,916,000
Federal Home Loan Bank Board <sup>1</sup>	(32,385,000)	(35,238,000)	(35,070,000)	(+2,685,000)	(-168,000)
Transition period		(8,792,000)	(8,753,000)		(-39,000)
National Aeronautics and Space Administration	3,231,145,000	3,539,000,000	3,486,622,000	+255,477,000	-52,378,000
Transition period		958,900,000	925,028,000		-33,872,000
National Commission on Water Quality	6,800,000			-6,800,000	-----
National Science Foundation	716,420,000	755,400,000	711,100,000	-5,320,000	-44,300,000
Transition period		167,700,000	167,634,000		-66,000
Office of Consumer Affairs	1,465,000	1,488,000	1,488,000	+23,000	-----
Transition period		385,000	372,000		-13,000
Selective Service System	45,000,000	47,887,000	40,000,000	-5,000,000	-7,887,000
Transition period		9,300,000	8,300,000		-1,000,000
Veterans Administration	16,304,017,000	16,424,264,000	16,431,764,000	+127,747,000	+7,500,000
Transition period		3,881,019,000	3,880,050,000		-969,000
Total, 1976	26,498,814,000	51,429,070,000	51,429,024,000	+24,930,210,000	-46,000
Transition period		5,406,703,000	5,434,617,000		+27,914,000

<sup>1</sup> Limitation on corporate funds to be expended.

## PERMANENT OBLIGATIONAL AUTHORITY—FEDERAL FUNDS AND TRUST FUNDS

Substantial sums of new budget (obligational) authority are made available by permanent legislation for the continuation of certain Government activities that are not subject to the annual appropriation process. Details of these activities for the agencies covered in this bill are reflected in appropriate tables appearing at the end of this report. The most significant are the public debt transactions of the Department of Housing and Urban Development in its mortgage financing and insurance activities, and the life insurance programs of the Veterans Administration. The Budget estimates that such permanent authorities will aggregate \$1,757,699,000 in fiscal year 1976.

## EFFECT OF COMMITTEE ACTION ON PROJECTED BUDGET EXPENDITURES (OUTLAYS) IN FISCAL YEAR 1976

The budget outlays (expenditures) for the Department of Housing and Urban Development and other agencies covered in the bill are estimated at \$30.2 billion in fiscal year 1976. The actions recommended by the Committee are estimated to decrease this total by some \$30 million.

## INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(1)(4), rule XI, of the House of Representatives, the Committee estimates that enactment of this bill would have minimal overall inflationary impact on prices and costs in the operation of the national economy.

TITLE I  
DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT

HOUSING IN AMERICA

Last year the Committee's report expressed concern that the then eighteen month moratorium on subsidized housing programs was a serious drag on the entire industry. During the past twelve months the housing market has continued to deteriorate. With the new Section 8 program only just getting underway, the effective period of the moratorium is now almost thirty months. New housing starts, which were at an annual rate of 2 million in 1973 have fallen to less than one million.

While the Committee recognizes that the housing industry is cyclical by its very nature, it should be obvious that without an active subsidized housing program the current home building depression can only be further exacerbated. The Section 8 program *may* be the catalyst that will move the housing industry off dead center. However, the Committee continues to have serious doubts about its capability to do so at a reasonable cost.

During the past year the Government Accounting Office prepared a report comparing the cost of the Section 236 and Section 8 programs. It concluded that the total costs were similar for both programs. But the report also made two important points. First, the GAO noted that Section 8 costs were *extremely* sensitive to fair market rents; and second, that up to two-thirds of all renters living in selected cities *could* be eligible for a Section 8 subsidy. The combination of these factors could cause a substantial increase in the cost of subsidized housing. With the *maximum* annual subsidy under Section 8 ranging from \$1,632 for a two bedroom *existing* unit in Jacksonville, to \$7,464 for a two bedroom *new* unit in New York, the Committee is concerned over the potential long range cost of this program. The Committee fully supports an active, well-managed assisted housing program, but the question remains—at what price per unit?

HOUSING PROGRAMS

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

The Housing and Community Development Act of 1974 authorized a new program of assisted housing for low and moderate income families. The new program, known as Section 8, authorizes the Department to make payments to local public housing agencies. The local housing authority, in turn, enters into contracts to make housing assistance payments to owners of existing housing, or owners who agree to rehabilitate units or propose new construction. The payments made to the local housing authority provide a subsidy equal to the difference between the fair market rents of standard housing units and the amount of rent paid by eligible families.

Last year the Committee expressed concern over the ultimate cost of this subsidy. The following table reflects the fair market rent for new and existing two bedroom units in selected communities of varying populations.

FAIR MARKET RENTS

	Existing		New	
	Monthly	Annual	Monthly	Annual
New York, N.Y.....	\$220	\$2,640	\$622	\$7,464
Boston, Mass.....	220	2,640	428	5,136
Washington, D.C.....	210	2,520	374	4,488
Pittsburgh, Pa.....	149	1,788	311	3,732
Jacksonville, Fla.....	136	1,632	330	3,960
St. Petersburg, Fla.....	147	1,764	316	3,792
Nashville, Tenn.....	147	1,764	256	3,076
Indianapolis, Ind.....	164	1,968	337	4,044
South Bend, Ind.....	162	1,944	384	4,608
Chicago, Ill.....	220	2,640	489	5,868
Saginaw, Mich.....	164	1,968	375	4,500
Cleveland, Ohio.....	162	1,944	309	3,708
Green Bay, Wis.....	142	1,704	303	3,636
Dallas, Tex.....	165	1,980	363	4,356
Kansas City, Kans.....	166	1,992	304	3,648
Missoula, Mont.....	131	1,572	248	2,976
Los Angeles, Calif.....	187	2,244	410	4,920
Fresno, Calif.....	152	1,824	301	3,612
Santa Cruz, Calif.....	154	1,848	336	4,032
Seattle, Wash.....	187	2,244	350	4,200

The key factor affecting the level of Federal subsidy is the "fair market rent". These are established for comparability purposes and are based on rentals for housing units in the market area of various sizes and types. HUD is required to make an annual review of fair market rents, and is authorized to make adjustments in the rents due to increases in real property taxes, utility rates, or similar costs not adequately compensated for in the annual review.

The Committee has approved the budget request of \$662,300,000 of annual contract authority for assisted housing programs. The anticipated run-out cost of the release of this authority is approximately \$16,250,000,000. The release of the \$662,300,000, when taken together with the \$1 billion of carryover authority, will provide 400,000 units of assisted housing in 1976. It is currently estimated that about 300,000 of these units will be new or substantially rehabilitated and 100,000 will be existing units.

Although the \$662,300,000 was the original budget request, a number of offsetting factors have influenced the 1976 requirements. The carryover balance of unused contract authority from fiscal year 1975 has increased from \$580,700,000 to \$1,002,127,000. This increase is caused by the decline in anticipated Section 8 units coming under contract in 1975—down from 200,000 to a current estimate of 40,000. However, offsetting this larger carryover are additional costs now known that were *not* included in the 1976 budget. Principle among these is the increase in fair market rents that HUD announced on March 31. That increase raised the average annual subsidy under Section 8 from \$3,260 to \$3,900 for a new unit and from \$2,110 to \$2,520 for an existing unit. More importantly, the increase also raised the annual contract authority requirement for the projected 400,000 units by almost \$250,000,000.

The Committee has become increasingly concerned over the uncontrollable nature of increases in fair market rents. In response to this concern, a limitation has been placed on any additional increase in the fair market rent *exceeding* ten percent. This action is not designed to cripple the Section 8 program. Rather, it is an effort to provide a vehicle for justifying before the Committee any fair market rent increases above ten percent. Such a vehicle is vital to preserve some form of budget control. Without the limitation, it is quite possible that HUD may produce only 100,000 units instead of the 400,000 projected and use the excess contract authority for a thirty or forty percent increase in the fair market rents. This would, of course, distort the basis of the budget request and would leave the Congress with little or no effective control over this program.

Finally, this limitation in no way affects the ability of the Secretary to approve a contract in excess of published fair market rents. The language does limit the fair market rent basis for all contracts but does not eliminate the Secretary's necessary flexibility in specific situations.

#### RENT SUPPLEMENT PROGRAM

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----		
Estimate, 1976-----		
Recommended in bill-----	<sup>1</sup> \$20,000,000	
Increase above estimate-----	+20,000,000	

<sup>1</sup> Annual contract authority. Total budget authority created over the 40-year period of the contract is \$800,000,000.

Section 101 of the Housing Act of 1965 authorized annual payments to housing owners on behalf of low income tenants for a period of up to 40 years. The maximum amount of the annual payment for any unit is the amount by which the fair market rent exceeds one fourth of the tenant's income. The statute provides for a biennial review and adjustment of rental changes to bring them into conformance with fair market rents existing in the area. The subsidy is open ended in that the Department is bound to amend contracts to the extent of legitimate rent increases based on prevailing fair market rents. The estimated annual adjustments required for units under contract is some \$15-18 million a year.

The Congress has released \$280,000,000 of the \$330,000,000 in contract authority authorized for the program. The 1976 budget reflected an estimated unused balance of \$17.9 million at the end of fiscal year 1976. However, there is currently no previously released contract authority available under the rent supplement program although the Department is under continuing obligation to increase unit payments as legitimate cost increases occur. As a stopgap measure, HUD is recapturing approximately \$15 million of rent supplement contract authority from Section 236 piggyback projects reserved but not yet under contract. To make up for the loss of rent supplement authority these Section 236 projects are being given a "deep subsidy" pursuant to Section 212 of the Housing and Community Development Act of 1974.

The Committee believes that the recapture of rent supplement contract authority from committed Section 236 projects is not a viable

solution. Therefore, \$20,000,000 of annual rent supplement contract authority has been approved in the bill. The availability of these funds should avoid cancelling valid reservations already committed under Section 236 projects. However, the Committee wants to make clear that the release of these rent supplement funds is *only* available for meeting legitimate cost increases occurring from inflationary pressures. None of this contract authority is available for any new rent supplement units or a reimplementations of the program.

#### HOUSING FOR THE ELDERLY OR HANDICAPPED (LIMITATION ON LOAN FUND)

	<i>Fiscal year</i>
1975 limitation-----	\$215,000,000
Estimate, 1976-----	215,000,000
Recommended in bill-----	300,000,000
Increase above estimate-----	+85,000,000

The Section 202 Housing for the Elderly or Handicapped program, as amended by Section 210 of the Housing and Community Development Act of 1974, provides a borrowing authorization from the Treasury of \$800,000,000. This is in addition to the availability of loan repayments and other income occurring to the Housing for the Elderly or Handicapped Fund. The Act provides that the total amount of loans authorized for any one fiscal year shall not exceed the limits on such lending authority established in appropriation acts.

The Committee has recommended a \$300,000,000 loan limitation for 1976 and the transition period. This is an increase of \$85,000,000 above the budget estimate. The Committee understands that the Section 202 program, when used in conjunction with the Section 8 program, has potential for reducing costs of elderly housing projects built under the combined programs. The cost of construction financing under current interest rates would be substantially more expensive than the Treasury rate available under the Section 202 program. Therefore, it is expected that by having these programs work in tandem more elderly housing can be created at a reduced total cost to the Federal government.

#### HOUSING PAYMENTS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	<sup>1</sup> \$2,300,000,000	
Estimate, 1976-----	2,245,000,000	\$600,000,000
Recommended in bill-----	2,245,000,000	600,000,000

<sup>1</sup> Includes \$450,000,000 applicable to operating subsidies which is carried under a separate account in 1976.

The Committee recommends the budget request of \$2,245,000,000. This appropriation provides for payments required by contracts for subsidized housing programs. These include the new Section 8 lower-income housing assistance program authorized by the Housing and Community Development Act of 1974, the rent supplement, homeownership assistance (sec. 235), rental housing assistance (sec. 236), low-rent public housing and college housing programs.

In fiscal year 1976, the budget proposes for the first time a separate appropriation for the payment of subsidies for the operation of units

owned by local housing authorities. Therefore, the increase on a comparable basis with fiscal year 1975 is \$395,000,000.

PAYMENT FOR OPERATION OF LOW-INCOME HOUSING PROJECTS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation.....	<sup>1</sup> \$450,000,000	
Estimate, 1976.....	525,000,000	\$80,000,000
Recommended in bill.....	525,000,000	80,000,000

<sup>1</sup> Included in the appropriation for Housing Payments in fiscal year 1975.

The Committee recommends \$525,000,000 for the payment of operating subsidies, which is an increase of \$75,000,000 above the level provided in 1975.

In the past contract authority for operating subsidies was made available without action in appropriation acts. Amounts used for this purpose were dependent upon total contract authority enacted in substantive legislation. Appropriations to make the required payments were included within the housing payments account. Beginning in fiscal year 1976, the budget proposes to make the use of contract authority subject to release in the appropriation act and so provide a new appropriation separate from housing payments.

The \$525,000,000 recommended provides for the full year operation of the Performance Funding System. This system will be used to calculate operating subsidies provided to each local housing authority to operate its owned units based on a rate comparable to what it costs a high performing LHA to operate its owned units. In theory, each LHA will receive no more operating subsidy than would be required to manage effectively a high performing LHA of comparable size, location and characteristics.

HUD admits that the formula cannot predict perfectly the actual expenses of each individual high performing LHA. Therefore, transition funding will be provided to those LHAs with expense levels above the top of their range. This "hold harmless" transition funding should gradually bring these LHAs within their range in subsequent years.

The amount funded also includes \$35,000,000 for the final phase of the Target Projects Program. Cumulatively, a total of \$105,000,000 will be used to provide additional financial assistance to 37 LHAs with 69 projects that are experiencing serious operating problems. These include a high incidence of crime, vandalism and seriously deficient janitorial and other operating services. The goal of the Target Projects Program is to concentrate increased operating subsidy and modernization resources to help solve these problems and upgrade the targeted projects.

SALARIES AND EXPENSES, HOUSING PROGRAMS

The Committee recommends combining the Housing Production and Mortgage Credit and Housing Management salaries and expenses appropriation accounts in fiscal year 1976. In addition, the funds previously carried under the FHA Administrative and Non-administrative fund limitations are appropriated directly to the new combined account. The total amount provided for this activity is \$195,116,000 in 1976 and \$49,800,000 in the transition period.

In combining these various fund sources, the Committee is attempting to simplify the complex appropriation account structure of the Department. Appropriations of administrative expenses have been provided in all cases where organizations or activities had been funded both by direct appropriations as well as by transfer from the limitations on administrative and non-administrative expenses of the FHA fund. For many years activities related to FHA fund programs have been performed in different parts of the Department. Some Housing Management activities, of course, are directly related to FHA fund programs. In addition, FHA programs are serviced by a centralized General Counsel, an Inspector General, and a central accounting organization. The Department has attempted to maintain a proper charge to the FHA fund for all these activities. The result, however, has been a complexity of accounts and charges which causes confusion and hides the true operating costs of HUD. To remedy this, the Committee has made direct appropriations for all HUD activities. This will enable the Congress and the public to see clearly the full cost of HUD's operations. To maintain the accounting system and charges required for corporate budgeting, however, the Committee expects HUD to establish a system to reimburse the Treasury out of FHA funds an amount equal to the expenses actually chargeable to FHA fund activities during a year.

The amount recommended includes a three percent reduction from the total requested under all accounts. This reduction should be achieved from increased efficiency and flexibility gained by combining the Housing Production and Mortgage Credit and Housing Management accounts.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

PAYMENT OF PARTICIPATION SALES INSUFFICIENCIES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation.....	\$22,883,000	
Estimate, 1976.....	20,935,000	\$5,291,000
Recommended in bill.....	20,935,000	5,291,000

The full budget request of \$20,935,000 is recommended to cover insufficiencies that arise from participation sales in home mortgages authorized in 1968. The appropriation covers the excess of interest payments received from mortgages pooled by the Government and represents a contractual obligation made when the sales were consummated.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT GRANTS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation.....	\$2,550,000,000	
Estimate, 1976.....	2,750,000,000	
Recommended in bill.....	2,790,000,000	
Increase above estimate.....	+40,000,000	

Title I of the Housing and Community Development Act of 1974 authorizes the Secretary to make grants to units of general local

government and States for the funding of local community development programs. The Community Development Grant program replaces seven categorical grant and loan programs including Urban Renewal, Model Cities, Grants for Neighborhood Facilities, Open Space Land, Grants for Basic Water and Sewer Facilities, Rehabilitation Loans, and Public Facility Loans.

The new program provides for the distribution of funds to eligible recipients for community development purposes utilizing a formula based on population, housing overcrowding, and poverty.

The Committee recommends \$2,790,000,000 for Community Development Grants in 1976. This includes \$2,700,000,000 for the basic formula entitlements and discretionary balances; an additional \$40,000,000 appropriated *directly* to the Standard Metropolitan Statistical Area balance; and \$50,000,000 for the Urgent Needs fund. When the \$2.7 billion is distributed under the formula, the following table reflects the estimated allocation by recipient category.

Recipient category	Amount (in thousands)
Metropolitan areas	2,127,600
Metro cities:	
Formula	1,064,266
Hold harmless	657,002
Hold harmless to other SMSA communities	226,343
Urban counties	143,523
SMSA balance	36,466
Nonmetropolitan areas	519,400
Hold harmless to small communities	265,397
Non-SMSA balance	254,003
Secretary's fund	53,000
Urgent needs fund	50,000
Additional amount for SMSA balance	40,000
<b>Total</b>	<b>2,790,000</b>

As the table indicates, after the formula is applied, a maximum of only \$36,466,000 is available for small towns and cities within SMSAs. It was originally anticipated that thousands of small communities falling within this category would receive substantially more funds than is currently estimated in 1976. However, under the new housing act, urban counties are now eligible for assistance—and they stand in line ahead of the smaller communities. Instead of the half-dozen urban counties that were expected to apply for these funds, more than 75 have already qualified. This fact has caused a significant draining of funds available for the smaller communities. To help provide some relief in this area, the Committee is recommending an additional \$40,000,000 above the budget for the SMSA balance only. This should provide a total of \$76,466,000 for this activity, but if HUD's estimate is overstated, it will insure that a minimum of \$40,000,000 will be available to small towns and cities within SMSAs.

The Committee believes this is the least expensive, most direct and effective way to achieve some equitability among community development recipient categories.

## TRANSFER OF UNEXPENDED BALANCE

Title IV of the Housing Act of 1950, as amended, authorized direct loans at three percent interest to colleges and eligible hospitals for the construction or acquisition of housing and related facilities such as student centers, dining halls and infirmaries. The HUD Act of 1968 provided an alternate source of assistance by authorizing debt service grants to reduce the cost to colleges and hospitals of borrowing on the private market.

The primary form of assistance since 1968 has been the debt service program. The direct loan account has been used only on a contingency basis. In those cases where an institution was unable to obtain funds in the private market at a reasonable rate, the Department provided a direct Federal loan. Funds for the direct loan program have come primarily through the use of Treasury borrowing authority and from the sale of participation certificates backed by pools of college housing loans held by the Federal Government.

Repayments of principle on outstanding loans are estimated at \$70,000,000 in fiscal year 1975 and \$73,700,000 in fiscal year 1976. The estimated unreserved balance is \$231,303,000 in 1976. In addition, there is \$964,000,000 of available budget authority in the form of undrawn Treasury borrowing.

Under the Congressional Budget and Impoundment Control Act, Congress is charged with analyzing the relative value of various programs and allocating resources in accord with the highest priority. Pursuant to this responsibility, the Committee is recommending language that provides for a transfer of \$964,000,000 of available college housing budget authority to the Community Development Block Grant program. This action will reduce this inactive unexpended balance and transfer the authority to a program of higher priority. In other actions, the Committee is providing new contract authority for rent supplement payments to meet inflationary requirements under existing contracts. The transfer of this budget authority will offset the new obligational authority created with the release of the rent supplement contract authority. In applying this transfer of unexpended budget authority to pay obligations for Community Development Grants, there is no future need for HUD to borrow and pay interest.

## COLLEGE HOUSING

Although recent studies have shown that there is no current need for a national college housing program, some institutions are experiencing shortages of dormitory and cafeteria space. In response to these selected needs, the Committee directs the Department to utilize repayments of principle on outstanding loans for the completion of unfinished college housing projects and for selected projects to help solve fuel and environmental problems. For example, these funds should be used for projects which have been started but have only partial permanent financing; projects that are phased programs with the first phase constructed or under construction, but which lack the financial ability to undertake a necessary second phase which is essential if the program

is to work efficiently; and the provision of capital funds for the rehabilitation, alteration, conversion, or improvement of heating-cooling systems so as to effect a substantial economy in the use of fuel and operating costs.

#### COMPREHENSIVE PLANNING GRANTS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$100,000,000	-----
Estimate, 1976-----	50,000,000	-----
Recommended in bill-----	50,000,000	-----

The bill includes the budget request of \$50,000,000 for Comprehensive Planning Grants. The Department is urged to concentrate their resources at the State and metropolitan and non-metropolitan regional planning commission levels. This should insure that these jurisdictions will receive approximately the same level of funding in 1976 as they did in 1975.

The Committee also believes that cities over 50,000 population should utilize to the maximum extent possible existing community development funds for their planning requirements. It is important to note that approximately four billion dollars will be made available to metropolitan areas under this program in 1975 and 1976. The Committee believes that it is not unreasonable to expect the cities receiving these funds to use a small part of these resources to meet their planning needs. HUD should encourage and clearly make this use of development funds possible under its regulations.

#### SALARIES AND EXPENSES, COMMUNITY PLANNING AND DEVELOPMENT PROGRAMS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$40,219,000	-----
Estimate, 1976-----	42,640,000	\$10,500,000
Recommended in bill-----	41,740,000	10,500,000
Decrease below estimate-----	-900,000	-----

The Committee recommends \$41,740,000 for administrative expenses of community planning and development programs, which is a reduction of \$900,000 below the budget request.

Both permanent positions and man-years are shown as declining in 1976. However, the request includes no corresponding reduction in personnel costs. Also, the budget projects no reduction in object class levels associated with personnel—such as travel, transportation, rent, supplies, etc. The Committee believes, therefore, that the decrease can be absorbed within this account.

#### FEDERAL INSURANCE ADMINISTRATION

##### FLOOD INSURANCE PROGRAM

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$50,000,000	-----
Estimate, 1975-----	75,000,000	\$18,750,000
Recommended in bill-----	75,000,000	18,750,000

The National Flood Insurance Act of 1968 authorizes a flood insurance program enabling property owners to buy insurance against losses resulting from physical damage to or loss of real or personal property

arising from floods occurring in the United States. The program is carried out in cooperation with private property insurance companies and through existing agents, brokers, and adjusting organizations. In 1973 the Act was amended to require that communities adopt and enforce flood plain management measures to reduce the probability and severity of damage. These measures must be adopted by July 1, 1975, or one year from the date a community is notified of its flood prone status, whichever is later. Approximately 10,500 communities must come into the program by July 1, and about 15,000 flood hazard boundary maps must be drawn and surveyed for these areas.

The Committee is recommending \$75,000,000 for this work in 1976, which is an increase of \$25,000,000 above the level provided in 1975. This includes \$69,870,000 for studies and surveys to determine the flood prone area as a basis for insurance and \$5,130,000 for administrative expenses. The budget estimate of \$18,750,000 is also recommended for the transition period.

While the Committee has approved the full budget request it has noted numerous severe problems regarding the administration of the flood insurance program. These problems have directly affected many communities, and have tended to reduce the credibility of the program. The Committee therefore urges the Secretary to continue to take strong steps to ease bureaucratic hurdles which may have created these problems.

#### OFFICE OF INTERSTATE LAND SALES REGISTRATION

##### INTERSTATE LAND SALES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	-----	-----
Estimate, 1976-----	\$2,726,000	\$645,000
Recommended in bill-----	2,726,000	645,000

The Interstate Land Sales Full Disclosure Act of 1968 protects the public against fraudulent and deceptive land sales operations. In general, developers offering 50 or more lots for sale or lease under a common promotional plan must register with the Office of Interstate Land Sales.

The Committee recommends the full budget estimate for 1976 and the transition period. Expenses of the Office of Interstate Land Sales have been financed from fees collected from developers reporting under the Act. As a result of fewer registration fees income is no longer sufficient to support the administrative expenses of OILSR. The \$2,726,000 recommended when combined with \$480,000 of fee income will provide a total obligation level of \$3,206,000 in fiscal year 1976.

#### POLICY DEVELOPMENT AND RESEARCH

##### RESEARCH AND TECHNOLOGY

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$65,000,000	-----
Estimate, 1976-----	57,000,000	\$18,250,000
Recommended in bill-----	53,000,000	15,500,000
Decrease below estimate-----	-4,000,000	-750,000

The Committee recommends an appropriation of \$53,000,000 which, when taken together with \$8,000,000 deferred from 1975, will provide a total Research and Technology program level of \$61,000,000 in 1976. The bill also contains \$15,500,000 for continuing the same level through the transition period.

Of the amount made available, \$400,000 has been earmarked for the Housing Assistance Council. The council is a non-profit corporation which was funded by the Office of Economic Opportunity in 1971 to assist agencies and organizations involved in sponsoring and developing low-income housing in rural areas and small cities by providing training and technical assistance. The grant also created a revolving loan fund to provide the resources necessary for selected activities in rural loan-income housing projects.

The council was originally funded by a \$4 million Office of Economic Opportunity grant in June 1971 for the period beginning August 1, 1971 through July 31, 1973. The grant was composed of \$2 million for operating expenses and \$2 million for a revolving loan fund. An additional \$1 million was granted by OEO for the revolving fund in October 1972. In June 1973, OEO granted an additional \$1 million for operating expenses effective August 1973. Under the terms of the OEO grant, funds for operating expenses carry over from year to year until depleted while the capital amount of the loan fund is retained by HAC as long as it uses the funds for the purposes specified in the grant.

With careful management, the \$400,000 recommended should be sufficient to carry the council *through* 1976 and the transition period. Although HAC is performing a useful function in meeting the housing needs of rural America, the Committee believes that the council's mission is quasi-operational and should be funded from an appropriate program account beginning in fiscal year 1977.

#### SALARIES AND EXPENSES, POLICY DEVELOPMENT AND RESEARCH

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$6,320,000	-----
Estimate, 1976-----	7,210,000	\$1,845,000
Recommended in bill-----	6,765,000	1,700,000
Decrease below estimate-----	-445,000	-145,000

The bill includes \$6,765,000 in 1976 and \$1,700,000 in the transition period for administrative expenses under policy development and research activities. This is a decrease below the budget of \$445,000 and \$145,000 respectively.

The Committee notes that although the level of program dollars recommended in 1976 (\$61,000,000) is approximately the same as 1975, a 26 position increase in staff is requested. When a part of the reduction is applied to other objects, there should be sufficient funds available for a 5 to 10 position increase. These may be used in connection with solar heating and cooling demonstrations. Also, if the Department feels this activity has high priority, additional positions should be redirected from the base amount provided.

#### FAIR HOUSING AND EQUAL OPPORTUNITY

##### FAIR HOUSING AND EQUAL OPPORTUNITY

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$11,887,000	-----
Estimate, 1976-----	12,735,000	\$3,265,000
Recommended in bill-----	12,735,000	3,265,000

The Committee recommends the full budget estimate for the administration of fair housing and equal opportunity programs. The amount recommended should permit an expansion of activity and cover the additional positions and annualization of 1974 increased pay costs.

#### DEPARTMENT MANAGEMENT

##### GENERAL DEPARTMENTAL MANAGEMENT

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$5,547,000	-----
Estimate, 1976-----	5,905,000	\$1,510,000
Recommended in bill-----	5,905,000	1,510,000

The bill provides the \$5,905,000 requested by the Secretary for the general staff offices reporting to her. The increase will provide for the costs of higher average employment and full year funding of the 1974 pay raise.

#### SALARIES AND EXPENSES, OFFICE OF GENERAL COUNSEL

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$5,207,000	-----
Estimate, 1976-----	5,515,000	\$1,430,000
Recommended in bill-----	4,964,000	1,287,000
Decrease below estimate-----	-551,000	-143,000

<sup>1</sup> Includes for comparability purposes those FHA funds carried under the administrative and nonadministrative limitation in 1975 and prior years.

The Committee recommends \$4,964,000 for the Office of General Counsel in fiscal year 1976. An additional \$1,287,000 is provided in the bill for the transition period. Included in these amounts are \$1,750,000 and \$465,000 respectively of FHA funds that are being appropriated directly to the Office of the General Counsel.

The recommended reduction is based on the Committee's Investigative Report which indicated that the Office of General Counsel has been a "bottleneck" in clearing required paperwork for the New Communities Administration.

Other reports have also suggested that the office may be responsible for unusually lengthy delays in the drafting of proposed regulations for selected programs. While the Committee expects the interests of the Government to be protected, it does not believe this office should become a major hurdle in the efficient implementation of the law.

## SALARIES AND EXPENSES, OFFICE OF INSPECTOR GENERAL

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	<sup>1</sup> \$9,233,000	-----
Estimate, 1976-----	<sup>1</sup> 10,280,000	\$2,615,000
Recommended in bill-----	10,280,000	2,615,000

<sup>1</sup> Includes for comparability purposes those FHA funds carried under the administrative and nonadministrative limitation in 1975 and prior years.

The bill provides \$10,280,000 for 1976 and \$2,615,000 for the transition period in support of the Office of Inspector General. Included within these amounts are \$3,035,000 and \$810,000 respectively of FHA funds that are being appropriated directly to the OIG. These funds were formerly carried under the limitation placed on FHA corporate funds. The increase above 1975 is required for the full year costs of additional personnel and the annualization of 1974 pay adjustments.

## ADMINISTRATION AND STAFF SERVICES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	<sup>1</sup> \$47,988,000	-----
Estimate, 1976-----	<sup>1</sup> 53,837,000	\$12,980,000
Recommended in bill-----	53,125,000	12,803,000
Decrease below estimate-----	-712,000	-177,000

<sup>1</sup> Includes for comparability purposes those FHA funds carried under the administrative and nonadministrative limitation in 1975 and prior years.

The Committee recommends \$53,125,000 for administration and staff services in 1976. The bill also provides \$12,803,000 for the transition period. These amounts include the direct appropriation of FHA funds formerly carried under the limitation placed on FHA corporate funds. The increase of \$5,137,000 will cover the full year costs of 1974 pay raises and a substantial increase in space rental costs. In accord with the general policy recommended in this bill, the Committee has made a ten percent reduction in the amount to be paid to GSA for such space costs.

## REGIONAL MANAGEMENT AND SERVICES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	<sup>1</sup> \$45,581,000	-----
Estimate, 1976-----	<sup>1</sup> 44,375,000	\$11,175,000
Recommended in bill-----	36,032,000	9,077,000
Decrease below estimate-----	-8,343,000	-2,098,000

<sup>1</sup> Includes for comparability purposes those FHA funds carried under the administrative and nonadministrative limitation in 1975 and prior years.

The Committee recommends \$36,032,000 for regional management and services. The bill also includes \$9,077,000 for the transition period. These amounts include the direct appropriation of FHA funds formerly carried under the limitation placed on FHA corporate funds.

The reduction of \$8,343,000 for 1976 and \$2,098,000 for the transition period is recommended in response to the suggestions and conclusions contained in the Investigative Report on HUD Regional and Area Offices. The report commented that some HUD officials felt that the regional offices were an unnecessary layer of bureaucracy in the Department and that too often the regional offices were exceeding their normal supervising and coordinating functions and making decisions that could best be left to the area or central office.

The Committee is sympathetic with these conclusions and urges the Department to take action to reduce the unnecessary and duplicative functions of the regional offices. However, while a decrease has been taken from this account, the Committee wishes to make clear that it does not expect all staffing reductions to be out of functions, such as administration, normally funded by this account. Instead, the Committee expects that reductions in regional office staffing will be applied in all areas of the regional office. By taking the total reduction in this account, the Committee does not wish to prejudge where in the regional office decreases might best be accomplished. The Secretary may use the flexibility of the administrative operations fund to spread this reduction over all programmatic areas of the regional offices—including staff directly attached to the regional administrator. In carrying out such a reduction, however, there is no desire to reduce operations which have been centralized in the regional office for purposes of efficiency or economy of operations. Rather, the Committee wishes to eliminate the excess of regional office supervision, evaluation and review of area and insuring offices.

## FUNDS APPROPRIATED TO THE PRESIDENT

## FEDERAL DISASTER ASSISTANCE ADMINISTRATION

## DISASTER RELIEF

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$200,000,000	-----
Estimate, 1976-----	150,000,000	\$37,500,000
Recommended in bill-----	150,000,000	37,500,000

The Committee has approved the full budget estimate of \$150,000,000 for the disaster assistance program. The bill also includes \$37,500,000 for the transition period.

The Federal Disaster Assistance Administration testified that disasters declared during fiscal years 1972-1974 have generated an average total requirement of \$190 million per year. The \$32,600,000 appropriated in the Second Supplemental for fiscal year 1974 along with the \$200,000,000 provided in 1975, when matched against currently estimated FY 1975 obligations, will result in a carryover of approximately \$40,000,000. The availability of these carryover funds correspondingly reduces the need for 1976 appropriations to meet the average yearly requirement. Because the level of fund requirement for natural disasters is difficult to predict, additional funds may be required for this activity.

## TITLE II

## INDEPENDENT AGENCIES

## AMERICAN BATTLE MONUMENTS COMMISSION

## SALARIES AND EXPENSES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$4,779,000	-----
Estimate, 1976-----	5,012,000	\$1,450,000
Recommended in bill-----	5,012,000	1,450,000

The Commission is responsible for the design, construction, and maintenance of all cemeteries and war memorials outside of the United States to commemorate the services of the American Armed Forces in hostilities occurring since 1917, and certain war memorials in the United States.

There are a total of 23 cemeteries with memorials maintained on foreign soil. Eleven additional monuments and memorials are maintained outside this country that are not part of cemeteries, and there are bronze tablets maintained at two other locations. The three large memorials maintained in the United States are the East Coast Memorial in the City of New York, the West Coast Memorial at the Presidio in San Francisco, and the Honolulu Memorial in the National Memorial Cemetery of the Pacific.

The Committee considers it of utmost importance that these memorials be maintained in a manner that is a credit to our Nation. The full budget estimates of \$5,012,000 and \$1,450,000 are recommended for 1976 and the transition period.

#### CONSUMER PRODUCT SAFETY COMMISSION

##### SALARIES AND EXPENSES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation.....	\$36,954,000	
Estimate, 1976.....	36,595,000	\$9,148,000
Commission's request.....	50,386,000	12,596,000
Recommended in bill.....	42,790,000	10,697,000
Increase above estimate.....	+6,195,000	+1,549,000

The Consumer Product Safety Commission is an independent regulatory agency established for the purpose of reducing the unreasonable risk of injury associated with consumer products.

The administration of four Acts previously handled by three other Federal agencies was transferred to the new Commission. Those Acts are: The Federal Hazardous Substances Act as amended to include child protection and toy safety provisions, the Poison Prevention Packaging Act, the Flammable Fabrics Act, and the Federal Refrigerator Safety Act.

The primary responsibilities and overall goals of the Consumer Product Safety Commission set forth by the Consumer Product Safety Act are:

- (1) to protect the public against unreasonable risks of injury associated with consumer products;
- (2) to assist consumers in evaluating the comparative safety of consumer products;
- (3) to develop uniform safety standards for consumer products and to minimize conflicting State and local regulations; and
- (4) to promote research and investigation into the causes and prevention of product-related deaths, illnesses, and injuries.

The Committee recommends \$42,790,000 for the activities of the Consumer Product Safety Commission in 1976. This is an increase of \$6,195,000 above the President's budget estimate and is \$7,596,000 below the Commission's request. The bill also contains \$10,697,000 for the transition period. This is \$1,549,000 above the budget estimate and is \$1,899,000 below the Commission's request. The funds provided in-

clude a ten percent reduction in the amount charged by GSA for space rental costs.

The Committee recognizes the important mission of the Commission. There are well over 10,000 consumer products subject to CPSC's jurisdiction, and more than 1.2 million manufacturing, distributing, retailings and importing firms which fall within their area of responsibility. Clearly, with this broad scope of duties, a new organization will encounter difficulties in implementing the legislation. Care must be taken not to promulgate regulations and standards which are unworkable or which could cause serious disruption of a specific industrial sector of the economy. This requires a careful balance between protecting the consumer and protecting the larger interests of the nation.

While the Committee is sympathetic with the problems facing the Commission, it also believes that the CPSC must recognize that the funds provided should be used to accomplish specific goals in an effective and efficient manner. The Committee's investigative study raised a number of troubling issues. Some of these shortcomings can be attributed to the normal growing pains of a new organization. However, in the final analysis, the CPSC's success or failure must be measured in terms of its accomplishments—not its efforts or good intentions. The Committee hopes that the investigative study will help achieve those goals and improve the Commission's operations.

Within the total recommended, the following comments and limitations apply:

(1) The increase of \$6,195,000 shall be applied in the same proportion among object classes as the proposed increase in the Commission's budget. This will provide for approximately 135 of the 229 additional permanent positions requested.

(2) During fiscal year 1976, a serious effort should be made to reduce the level of temporary employees. The current level of 225 far exceeds the level of temporary positions normally carried in an agency of the Commission's size.

(3) The funds requested for the acquisition of the Commission's computer are specifically denied.

The Commission has developed several computer software (collections of computer programs) systems to assist in product and injury surveillance activities. Among these systems are the National Emergency Injury Surveillance System, In-Depth Investigations, Consumer Complaints, and Sample Collection Data.

Data are stored by these systems in a computer and information reports are acquired by accessing the computer both in "batch" mode and in the "on-line" mode. The batch mode operation is conducted at the main computer site, while in the on-line mode data can be stored or information reports produced through computer terminals connected to the main computer via telephone lines. These terminals are located throughout the United States at CPSC area offices, at hospital emergency rooms, and at Washington headquarters.

Until early in 1975, the Commission had been using an IBM 370/155 computer operated by the Food and Drug Administration. In March, however, the Commission and FDA switched to IBM 370/158 facilities located at the Parklawn Computer Center

in Rockville, Maryland. This Center contains substantially more computing capability than the former FDA operation. There are three IBM 370/158's at Parklawn; two with 3 million bytes of computer memory and one with 4 million bytes. While this new operation is still undergoing the inevitable shakedown period attendant to opening an expanded facility, the level of service and "up time" history are reported to be better than average. CPSC currently shares the Parklawn facility with customers from Public Health Service agencies, the Environmental Protection Agency, and a small amount of processing for the Social Security Administration.

The Commission's request to acquire their own computer is not allowed because the Parklawn Center now provides sufficient capability with planned growth increments that should satisfy the Commission's needs for several years. For example, to accommodate the growth projections by the Commission in the Customer Information Control System (CICS) workload, the Center has just recently added a one million byte section of main memory to one of the 370/158's for the *exclusive* use of the Commission. For all practical purposes, having exclusive use of this one million byte memory partition provides similar operating characteristics as would result from an agency-owned computer without the burden of duplicative overhead necessary to operate an agency computer.

Beyond the workload that will be performed on the "exclusive use" one million byte partition, the balance of the Commission's workload appears marginal and does not support the need for a dedicated 370/158 size computer. In April the Commission generated about 3,000 of the 38,000 batch jobs processed at Parklawn, and about 1,200 of the 16,000 teleprocessing (on-line) jobs. This represents about 8 percent of the Center's normal, non-dedicated workload. Since three computers service this workload, a highly oversimplified equivalence would yield only about 24 percent of the 370/158 (assuming the Center is operating at capacity which is not the case). Moreover, the Center plans a significant equipment upgrade that may provide up to a 100 percent capacity increase, or more. While these upgrade plans are still tentative, this is an indication that service at the Parklawn Center has high priority and that the Commission will continue to benefit accordingly.

The Commission currently reimburses the Parklawn Center for computer time used. Billings are averaging about \$130,000 per month, or close to \$1.6 million annually. They are estimated to reach \$2.0 million in fiscal year 1976. Annual recurring charges for a 2-million byte, 370/158 size teleprocessing installation would approximate \$2.5-\$3.0 million, including several additional staff positions and other overhead items. An agency-operated system of that size would yield much less computing capacity than is now currently available at Parklawn. *It appears, therefore, that the Commission would probably pay more for less capacity.*

(4) The Committee has been informed that the proper authorizing committees of both the House and the Senate have adopted legislative provisions which would remove from the Consumer

Product Safety Commission any authority to regulate the manufacture or sale of handgun ammunition. Passage of these proposals into law may be expected in the near future. The Committee wishes to express the opinion that this action is both appropriate and necessary. During the past year many of the available resources of the CPSC have been devoted to the proposed ban on the sale of handgun ammunition. This has caused the Commission to give less attention to other problems which are within its jurisdiction. The legislation now moving through the Congress will continue authority to regulate weapons and ammunition in the Congress.

(5) Finally, the Committee recognizes the unique character of Section 27(k) of the Consumer Product Safety Act. This provision has been interpreted as freeing the Commission to disagree publicly with the President's budget submission to the Congress and to defend its own estimate. This interpretation could leave the Committee without the benefit of the independent evaluation and review of the Office of Management and Budget. The Committee believes such evaluation should be made and that OMB should transmit its recommendations to the Committee.

#### DEPARTMENT OF DEFENSE—CIVIL

#### CEMETERIAL EXPENSES, ARMY

#### SALARIES AND EXPENSES

	Fiscal year	Transition period
1975 appropriation.....	\$258, 000	
Estimate, 1976.....	5, 617, 000	\$966, 000
Recommended in bill.....	5, 615, 000	966, 000
Decrease below estimate.....	-2, 000	

The Committee recommends \$5,615,000 for the U.S. Army Memorial Affairs Directorate in fiscal year 1976 and the budget estimate of \$966,000 for the transition period. These funds provide for the operation and maintenance of the cemetery at the Soldiers' and Airmen's Home and Arlington National Cemetery.

The large increase in the appropriation request is attributable to utilization in fiscal year 1975 of \$4,553,000 in unobligated balances carried forward from fiscal year 1974. The obligations in 1976 are estimated at \$5,615,000, an increase of \$804,000 above the 1975 level of \$4,811,000. The decrease of \$2,000 in fiscal year 1976 represents a 10 percent reduction in the payment to the General Services Administration for space rental charges.

#### ENVIRONMENTAL PROTECTION AGENCY

The Environmental Protection Agency was established on December 2, 1970, through an executive reorganization plan. This plan (Reorganization Plan No. 3 of 1970) was designed to consolidate certain Federal environmental activities into a single agency.

Program functions in water quality were transferred from the Federal Water Quality Administration of the Department of Interior

and water supply from the Bureau of Water Hygiene of the Department of Health, Education, and Welfare. The air and solid wastes programs were transferred from the National Air Pollution Control Administration and the Bureau of Solid Waste Management of HEW. Pesticides functions were acquired from the Department of Agriculture, Interior, and HEW. Radiation functions were acquired from the Atomic Energy Commission, HEW, and the Federal Radiation Council.

The committee recommends the appropriation of \$768,520,000 for the programs of the Environmental Protection Agency. This is an increase of \$25,720,000 above the budget requests and is \$68,525,000 above the level provided in fiscal year 1975.

The bill also includes \$188,916,000 for the transition period—an increase of \$14,916,000 above the budget amounts.

The following summarizes the programs of the agency by media:

*Air.*—The Clean Air Act of 1970, as amended, authorizes a national program of research, regulation, and enforcement activities. To protect and enhance the quality of the Nation's air resources, National Ambient Air Quality Standards are established—primary standards to protect public health and secondary standards to protect other valuables such as property and vegetation. Standards for sulfur dioxide, nitrogen dioxide, and total suspended particulates apply to stationary sources; standards for carbon monoxide, photochemical oxidants, and hydrocarbons apply primarily to motor vehicles.

Primary responsibility for the prevention and control of air pollution rests with State and local governments. States carry out State Implementation Plans, which are designed to meet National Ambient Air Quality Standards by prescribing specific limitations for types of polluters. Technical and financial assistance is provided to State and local governments to aid them in developing and executing their control programs. Federal regulation is the primary control for emissions from new motor vehicles, newly constructed industrial sources, and sources emitting hazardous pollutants such as mercury.

Enforcement is directed toward achieving compliance with the standards and regulations established for stationary and mobile sources. In stationary source enforcement, the Agency's primary objective is to assist and stimulate State enforcement programs. Mobile source enforcement includes testing and certification of prototype motor vehicles for conformance with Federal emission standards, recall of vehicles in use that do not conform to emission standards during their useful life, enforcement of transportation control plans in urban areas, and the monitoring and enforcement of the availability of unleaded gasoline.

Research and development activity includes health and ecological effects studies, monitoring method improvement and air pollution control technology improvement.

*Water Quality.*—The Federal Water Pollution Control Act, as amended, has as its objective the restoration and maintenance of the chemical, physical, and biological integrity of the Nation's waters. The major emphasis of the program is the control of pollutant discharges into waterways from point sources—i.e., specific industrial and municipal sources. Three major control methods are used: (1) Issuance of

wastewater discharge permits that require sources to reduce the level of pollution by using the best practicable technology; (2) effluent guidelines to regulate wastewater discharge sources by type of industry; and (3) financial assistance of up to 75 percent of the total cost of planning, designating, and constructing sewage treatment plants.

States have the primary responsibility for planning, monitoring, and enforcing standards and guidelines; they also establish the priorities for the award of wastewater treatment construction grants. Federal grants assistance are provided to State water pollution control agencies, whose functions include construction grants review, issuing permits, monitoring and other implementation measures. Technical, planning, and training assistance are also provided to States and local communities.

The enforcement program, conducted in cooperation with the States, includes issuance of wastewater discharge permits implementing point source performance standards, and enforcement actions to achieve compliance with regulations on oil and hazardous material discharges and ocean dumping.

The research and development program provides the scientific basis for standards and guidelines and includes determination of health effects, developing criteria for clean water in various aquatic environments, more effective wastewater treatment technology, improved monitoring of water quality, and strategies for the control of pollution from spills of oil and hazardous materials and pollution from non-point sources such as farming, mining, and construction activities.

*Water Supply.*—The Safe Drinking Water Act of 1974 provides for the safety of drinking water supplies through the establishment and enforcement of primary and secondary drinking water standards and regulations. Standards are established by the Federal government; the responsibility for enforcing them will be with the States.

Grants and technical assistance are provided to the States to assist them in developing water supply enforcement programs and permit programs to control the underground injection of contaminants. Other activities that will be conducted include a survey of the quality of rural drinking water supplies. The research and development program includes studies of health effects, the development of analytical methods for assessing drinking water quality, and improving methods of treating raw water.

*Solid Wastes.*—The Solid Waste Disposal Act, as amended by the Resource Recovery Act of 1970, directs EPA to establish guidelines for the collection, transportation, separation, recovery, and disposal of solid wastes and to promote the development and demonstration of resource recovery and solid waste disposal systems.

Assistance to State and local governments is provided through information dissemination, technical assistance, and guideline promulgation; program effort emphasizes areas of waste management problems that have a significant impact in terms of national implications—hazardous waste disposal, demonstration of resource recovery technology, and the disposal of sludges resulting from air and water pollution control.

Under a research and development program control techniques and technologies are developed for the safe disposal of toxic and hazardous

solid wastes; studies identify and evaluate the toxic and pathogenic products of incineration, landfilling and recycling operations; and health impact assessments are made on toxic substances such as arsenic, asbestos, beryllium and mercury.

**Pesticides.**—The Federal Environmental Pesticide Control Act, which amended the Federal Insecticide, Fungicide, and Rodenticide Act, authorizes the Agency to administer a comprehensive program to regulate the manufacturing, distribution and use of pesticides.

The Act requires the registration of pesticide products for general or restricted use. Pesticides are registered to prevent harmful products from entering the market and to require labeling to assure proper use. The registration of a pesticide may be cancelled or, if any imminent threat to human health or the environment exists, the product may be suspended. Residue tolerance are set for pesticide products applied to food and feed crops.

The use of pesticides classified for restricted use requires the certification of applicators. States certify the applicators and training is provided through a joint effort by EPA, the Department of Agriculture and State agencies.

Monitoring and research are conducted to determine the health and environmental effects of pesticides. Epidemiologic studies of the acute and chronic long-term human health effects of pesticide exposure are carried out with particular emphasis on new pesticides for which industry developed human exposure data has previously been poor or non-existent. Research is being undertaken with the National Science Foundation and the Department of Agriculture to develop environmentally safe alternative pest control techniques. This area also includes routine sampling of pesticide products from manufacturing establishments.

The enforcement program includes registration, market surveillance, inspections of producer establishments, and monitoring of experimental use pesticides. Enforcement may include civil or injunctive actions, stop sales, and criminal prosecutions.

**Radiation.**—The activities of this program are carried out under authorities in the Public Health Service Act, the Atomic Energy Act, and authorities of the Federal Research Council transferred to EPA at the time of its establishment.

The radiation program is directed toward preventing unnecessary exposures to ionizing radiation. The research program studies the health effects resulting from exposure to ionizing radiation, such as radionuclides emitted by nuclear power reactors and the pathways of radiation through the environment. Monitoring activities determine the levels of existing radiation from specific sources, identify critical pathways, and evaluate the impact of the source on the environment. Standards and guidelines are developed to limit radiation levels in the general environment for both ionizing and nonionizing radiation. Technical assistance and information is provided to States and local governments, including promotion of State control programs, laboratory analysis of special samples, and development and testing of emergency plans. The program also reviews environmental impact statements submitted by other Federal agencies and evaluates construction proposals for facilities to be operated by other Federal agencies.

**Noise.**—The Noise Control Act of 1972 provides the basis for a national environmental noise control program. Noise-emission standards are set for products that have been identified as major sources of noise. The program also has the authority to require the labeling of domestic or imported consumer products as to their noise-generating characteristics or their effectiveness in reducing noise.

Technical information and assistance to States, communities, and other Federal agencies consists of guidance in implementing noise control programs, developing model noise laws and ordinances, and coordinating Federal noise control programs. New product noise emission standards are enforced largely by testing new products.

**Toxic Substances.**—This program is carried on under authorities in the Agency's major legislation such as the Clean Air Act, Federal Water Pollution Control Act, and the Solid Waste Disposal Act.

The primary objective of the program is to reduce the danger to the environment which is posed by toxic substances. Research is conducted into the health effects of selected toxic substances to provide data on chemicals of current concern and provide background to support future regulatory efforts. The program develops predictive techniques for early warning through identification of toxic substances which may pose a hazard, compiles a data bank that will enable quick identification of chemicals of concern, and prepares economic and chemical assessments to ascertain options available and associated risks and benefits.

#### COMMITTEE RECOMMENDATIONS BY APPROPRIATION

Of the amounts approved in the following appropriation accounts, the Agency must limit transfers of funds between media to not more than ten percent of the budget plan without first obtaining approval of the Committee.

#### AGENCY AND REGIONAL MANAGEMENT

	Fiscal year	Transition period
1975 appropriation.....	\$57, 216, 000	-----
Estimate, 1976.....	65, 700, 000	\$17, 000, 000
Recommended in bill.....	65, 374, 000	16, 923, 000
Decrease below estimate.....	-326, 000	-77, 000

This activity includes executive direction and leadership for all programs and support in such areas as public affairs, legislative liaison, international affairs, equal employment opportunity, environmental impact statement reviews, Federal agency pollution control activities, program planning and economic analysis, budgeting, accounting, auditing, personnel management, organizational analysis, ADP operations, grant and contract policy, and other housekeeping activities.

The bill includes \$65,374,000 for agency and regional management activities in 1976 and \$16,923,000 for the transition period. The reduction represents a ten percent cut in GSA space rental costs. Language continuing the \$5,000,000 earmarking for preparing EPA environmental impact statements is retained in the bill.

## ENERGY RESEARCH AND DEVELOPMENT

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$134,000,000	
Estimate, 1976-----	112,000,000	\$21,000,000
Recommended in bill-----	100,000,000	21,000,000
Decrease below estimate-----	-12,000,000	

This activity provides for development of a scientific basis to ensure (1) protection of human health, (2) environmental protection necessary to facilitate the use of domestic energy supplies, (3) implementation of energy systems initiatives without delays caused by inadequate and insufficient environmental impact data, and (4) the concurrent development of appropriate control technologies and emerging energy systems to minimize control costs and environmental impact. The \$22,000,000 budget reduction reflects the impact of transfers to the Energy Research and Development Administration, multiyear funding of large scale projects in 1975, and the completion of certain capital intensive large-scale demonstration projects.

The Committee recommends \$100,000,000 for energy research and development programs. This is a decrease of \$12,000,000 below the budget estimate. The reduction is recommended as a partial offset to increases in higher priority areas.

The full budget estimate of \$21,000,000 is provided for the transition period.

## RESEARCH AND DEVELOPMENT

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$170,638,000	
Estimate, 1976-----	163,400,000	\$43,000,000
Recommended in bill-----	170,674,000	42,923,000
Change from estimate-----	+7,274,000	-77,000

The research and development programs produce the scientific information and technical tools on which to base national policy and effective control strategies in the regulation, prevention and abatement of environmental pollution.

The bill includes \$170,674,000 for research and development programs. This is an increase of \$7,274,000 above the budget request. The Committee also recommends \$42,923,000 for the transition period. The increase maintains the 1975 level of research and development support and includes a ten percent reduction in the GSA space rental charge.

The Committee has reviewed the pending reorganization of research and development activities and the proposed transfer of certain personnel to the Cincinnati facility. Recognizing the need for better direction of research efforts, as pointed out in the investigation undertaken by the Committee and included in the hearings, the agency is to be commended for the care and analysis it is making in examining its laboratories with a view to better management.

The legislative history is clear that research and development capability should be maintained in all media for situations endemic to various regions. It is therefore directed that the current industrial waste research programs shall be continued at the present locations in Corvallis, Oregon; Edison, New Jersey; Ada, Oklahoma; Athens,

Georgia; and Grosse Ile, Michigan to maintain regional responsiveness to industrial needs.

## ABATEMENT AND CONTROL

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$283,401,000	
Estimate, 1976-----	339,700,000	\$77,500,000
Recommended in bill-----	370,766,000	92,639,000
Increase above estimate-----	+31,066,000	+15,139,000

This activity provides for planning grants and control agency support grants to State, regional, and local agencies for planning, establishing, and improving environmental quality programs. Monitoring and surveillance are performed to determine baseline quality conditions, to measure pollutants, and to evaluate the performance of control devices. Pollution prevention, control, and abatement standards are generally established in cooperation with State and local agencies. Technical assistance is provided to Federal agencies, States, interstate regions, local communities, and industry. Environmental impact statements by Federal agencies are reviewed and evaluated. Education and training are supported through grants and other forms of assistance and in-house training programs are conducted for personnel of Federal, State and local governments, industry, and educational institutions.

After the ten percent reduction in GSA space rental costs is taken, the bill includes increases above the budget plan for the following activities:

\$6,000,000 to annualize 100 positions added in 1975 and 200 additional positions in 1976 for a total of 300 permanent positions for waste water treatment grant activities.

\$2,000,000 for academic training.

\$10,000,000, an increase of \$6,000,000 above the 1975 level, to continue the "Clean Lakes" program.

\$10,000,000 to restore State grants for water quality to the 1974 level of \$50,000,000.

\$3,750,000 to restore State grants for air quality to the 1975 appropriated level of \$55,200,000.

An increase of \$15,139,000 is provided in the transition period to continue these activities at the higher level.

The Committee also has included \$65,000,000 and \$19,000,000 respectively for 1976 and the transition period to liquidate contract authority provided under the Section 208 Area-wide Waste Treatment Management Grants.

## ENFORCEMENT

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$53,340,000	
Estimate, 1976-----	53,900,000	\$14,000,000
Recommended in bill-----	53,606,000	13,931,000
Decrease below estimate-----	-294,000	-69,000

This activity includes the certification and permit programs; the enforcement of environmental pollution standards, including the gathering and preparation of evidential data and the conduct of enforcement proceedings; and legal services for the agency.

The \$53,606,000 recommended for enforcement will provide for a continuation of program activity at approximately the same level as

1975. The bill also includes \$13,931,000 for the transition period. The decrease from the budget estimate is in accord with the general provision in the bill reducing the General Services Administration's space rental charge by ten percent.

#### BUILDINGS AND FACILITIES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$1,400,000	
Estimate, 1976-----	2,100,000	\$500,000
Recommended in bill-----	2,100,000	500,000

This activity provides for the design and construction of EPA owned facilities as well as for the repair and improvement to facilities utilized by the agency. The funds are used primarily for such things as repairing plumbing, painting of buildings and for safety modifications. The 1976 request includes a \$700,000 increase to meet the Department of Labor's safety standards under the Occupational Health and Safety Act.

The bill contains the full budget estimate for 1976 and the transition period.

The Committee also directs that repair and improvement projects be limited to \$100,000 per individual project. Repair and improvement projects exceeding \$100,000 should not be undertaken by the agency without the specific approval of the House and Senate Appropriations Committees.

#### CONSTRUCTION GRANTS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	(\$1,400,000,000)	
Estimate, 1976-----	(500,000,000)	(\$600,000,000)
Recommended in bill-----	(500,000,000)	(600,000,000)

Construction grants are made to local public agencies for construction of municipal wastewater treatment facilities to assist States and localities in attaining and maintaining water quality standards. The Federal Water Pollution Control Act Amendments of 1972 authorized \$18 billion for this purpose. As a result of the recent Supreme Court decision, this entire amount is available for obligation. As of May 1975, approximately \$4.5 billion of these funds had been obligated.

Amounts approved from authorizations for contract authority are allotted to each State on the basis of formulas set forth in the Federal Water Pollution Control Act Amendments of 1972 and subsequent legislation. Within these allotments, grants are awarded on a priority basis for individual projects. Each project is eligible for 75 percent in Federal assistance.

The Committee recommends the budget estimate for both fiscal year 1976 and the transition period.

#### SCIENTIFIC ACTIVITIES OVERSEAS

##### (SPECIAL FOREIGN CURRENCY PROGRAM)

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----		
Estimate, 1976-----	\$6,000,000	\$1,000,000
Recommended in bill-----	6,000,000	1,000,000

This appropriation covers the support of research and research related activities in foreign countries. Appropriated funds are used to purchase the currencies which accrue to the United States primarily through sale of surplus agricultural commodities. The purchased currencies are often used to support collaborative research to supplement and/or complement EPA's domestic programs.

The bill includes \$6,000,000 for this activity in 1976 and \$1,000,000 in the transition period. This level will restore the program to its previous operating level and allow participation in a special cooperative energy related environmental studies program with Poland.

#### EXECUTIVE OFFICE OF THE PRESIDENT

##### COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$2,500,000	
Estimate, 1976-----	2,750,000	\$700,000
Recommended in bill-----	2,736,000	697,000
Decrease below estimate-----	-14,000	-3,000

The National Environmental Policy Act of 1969 created the Council on Environmental Quality to provide assistance and advice to the President in matters relating to the quality of national environment in the United States. Shortly thereafter, the Environmental Quality Improvement Act of 1970 provided for an office to provide similar, but somewhat different undertakings, including how the quality of the environment could be improved. The functions of both Acts have always been administered by a single organization to provide an integrated mechanism to effectively undertake policy review and implement environmental considerations on the national scene.

A significant activity of the council is to prepare the annual environmental quality report of the President and to summarize major developments for the last year. It is continually concerned with review and policy direction of environmental considerations in Federal programs and is actively involved in recommending policies to protect and improve the quality of our human surroundings in a broad spectrum of activities.

The Committee recommends an appropriation of \$2,736,000 for these activities in the next fiscal year and \$697,000 for the transition period. This is an increase of \$236,000 above the current funding level to cover increased salary costs provided by law and to restore the funding level of contractual services for analytic assistance to the actual level of requirements experienced in 1974. The minor decreases from the budget represent a 10 percent reduction in General Services Administration space rental charges.

#### GENERAL SERVICES ADMINISTRATION

##### CONSUMER INFORMATION CENTER

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$996,000	
Estimate, 1976-----	1,056,000	\$264,000
Recommended in bill-----	1,054,000	264,000
Decrease below estimate-----	-2,000	

The Consumer Information Center is responsible for encouraging the development of relevant and meaningful consumer information from the major Federal departments and agencies as a by-product of the Government's research, development, and procurement activities. In addition, the Center promotes greater public awareness of existing Federal publications through distribution of the Consumer Information Index and through various media programs.

The bill provides \$1,054,000 for the Information Center in 1976 and the budget estimate of \$264,000 in the transition period. The recommended increase of \$58,000 above the 1975 appropriation of \$996,000 is to cover the increase in paper and printing costs of the Consumer Information Index and an increase in personnel compensation and benefits. The decrease of \$2,000 from the budget estimate represents a 10 percent reduction in the requested payment to the General Services Administration for space rental charges.

#### DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

##### OFFICE OF CONSUMER AFFAIRS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$1,465,000	-----
Estimate, 1976-----	1,488,000	\$385,000
Recommended in bill-----	1,488,000	372,000
Decrease below estimate-----	-----	-13,000

The Office of Consumer Affairs serves as the principal advisor to the Secretary of the Department of Health, Education, and Welfare on consumer related policy and programs and constitute the staff of the Special Assistant to the President for Consumer Affairs. The Committee is aware of the reorganization of the Office of Consumer Affairs to improve efficiency through the new management by objectives system and will expect positive results.

The budget estimate of \$1,488,000 recommended for the Office of Consumer Affairs in fiscal year 1976 will provide for a continuation of program activities at the fiscal year 1975 level. The \$372,000 recommended for the transition period is a \$13,000 reduction below the requested amount to adjust the transition period to the fiscal year 1976 level.

#### NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

##### RESEARCH AND DEVELOPMENT

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$2,331,015,000	-----
Estimate, 1976-----	2,678,380,000	\$730,600,000
Recommended in bill-----	2,628,980,000	700,600,000
Decrease below estimate-----	-49,400,000	-30,000,000

During the coming year, the National Aeronautics and Space Administration enters the new era of the space shuttle. With the completion of the Apollo-Soyuz mission, American men will not return to space until the first shuttle orbiter mission in 1979. The shuttle will make space flight routine. It will be reusable and will provide an economical space transportation system for a wide variety of users including the Government, private industry and international organizations.

The 1976 and transition budget request proposes continuation of the space shuttle; completion of the Apollo-Soyuz and Viking projects; various planetary, weather and scientific satellites; and further development of a strong aeronautics program. For the first time, no new starts are proposed in this budget.

The Committee recommends an appropriation of \$2,628,980,000 for 1976. This is a decrease of \$49,400,000 below the budget estimate. The bill also contains \$700,600,000 for the transition period which is a reduction of \$30,000,000 in line with the authorization level.

Within the total recommended, the following changes are made from the amounts requested in the current budget plan:

(1) The Committee directs that Pioneer Venus be deferred for one year to permit a budget priority decision in 1977 between the Large Space Telescope and Pioneer Venus. Some astronomers have been critical of NASA's Space Science program because they contend that a disproportionate level of NASA dollars have been used on planetary astronomy missions, while little or no funds have been allocated to deep space astronomy which is the principal mission of the Large Space Telescope. By delaying Pioneer Venus for one year, the Committee can make a budget priority choice between the Large Space Telescope and Pioneer Venus. A total of \$57,600,000 is requested for Pioneer Venus in fiscal year 1976. The recommendation reduces this request by \$48,400,000 and provides \$9,200,000 to maintain a management capability during the one year deferral.

It is not the intention of the Committee to eliminate Pioneer Venus. Rather, the Committee is deferring this program for one year in order to strike a budget priority between Pioneer Venus and the LST. It believes that such action will provide better justification for the use of limited resources.

(2) The Committee recommends that \$1,000,000 of the \$5,000,000 requested for continued studies of the Large Space Telescope be denied. It also recommends that the \$3,000,000 requested for LST studies in the transition period be reduced to \$2,000,000. These funds taken together with the \$3,000,000 provided for this purpose in 1975 should be sufficient to complete LST planning.

#### CONSTRUCTION OF FACILITIES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$140,155,000	-----
Estimate, 1976-----	84,620,000	\$14,500,000
Recommended in bill-----	82,130,000	10,750,000
Decrease-----	-2,490,000	-3,750,000

The Committee recommends \$82,130,000 for construction of facilities in 1976. This is a decrease of \$2,490,000 below the budget request. The bill also contains \$10,750,000 for the transition period, which is \$3,750,000 below the budget estimate in accord with the amount approved in the authorization bill.

The funds provided are the same as those requested except that the \$2,490,000 requested for the Lunar Curatorial Facility is denied. This decrease is consistent with a similar reduction made in the 1976 authorization bill.

The Committee also directs that no funds be used to begin work on modifying the 40 x 80 foot wind tunnel at the Ames Research Center until the Committee has had an opportunity to review the necessary funding in a formal budget request.

Finally, language has been included in the bill making funds available until expended for certain projects previously initiated.

#### RESEARCH AND PROGRAM MANAGEMENT

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$759,975,000	-----
Estimate, 1976-----	776,000,000	\$213,800,000
Recommended in bill-----	775,512,000	213,678,000
Decrease-----	-488,000	-122,000

The Committee recommends \$775,512,000 for research and program management in 1976 and \$213,678,000 in the transition period. The decrease from the budget estimate reflects a ten percent reduction in the payment of GSA space rental charges.

The Committee is also recommending language in the bill permitting the replacement of five older aircraft with a more modern aircraft to provide for greater efficiency and safety. This will reduce operating costs by \$1,300,000 annually.

#### NATIONAL SCIENCE FOUNDATION

##### SALARIES AND EXPENSES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$711,570,000	-----
Estimate, 1976-----	751,400,000	\$167,200,000
Recommended in bill-----	707,100,000	167,134,000
Decrease below estimate-----	-44,300,000	-66,000

The National Science Foundation recently commemorated its first quarter century of operations. It was established in 1950 and received its first appropriation in 1951. The primary purpose for its creation was to develop a national policy in science and to support and promote basic research and education in the sciences to fill a void left after World War II. The principal addition to the initial charter has been to target more effectively the basic scientific information developed into meeting national needs and problems.

The amount of Federal support has grown from the initial \$225,000 to \$763,300,000 last year, before the transfer of \$51,730,000 to the newly created Energy Research and Development Administration.

The Committee recommends an appropriation of \$707,100,000, plus the carryover of \$20,000,000 deferred by the Administration in 1975. This provides for a total program level of \$727,100,000 in 1976. Including the transfer to ERDA and adjusting for the deferrals in 1975 this will provide a program increase of \$35,530,000 in 1976 and \$44,300,000 less than the budget estimate. A total of \$167,134,000 is provided to continue programs in the transition period.

In recent months particular activities of the Foundation have been questioned. Members of Congress, representatives of the press, and countless American taxpayers have been openly critical of the use of tax revenues to finance seemingly frivolous and irrelevant scientific research projects. A number of specific examples have been cited, and responsibility for some has been attributed to the Foundation. Investigation has shown that in *most* cases the responsibility for these grants rests with agencies other than NSF, and some charges of frivolity have stemmed from an inadequate understanding of the scope, purpose and intent of the research.

Nevertheless, the Committee is aware of a responsibility to insure that the quality and value of scientific research undertaken is commensurate with the tax dollars provided.

These issues were discussed with the Director and his senior staff during the NSF appropriation hearings. The Committee believes that there are no simple answers to these problems, and it cautions against acting in haste to change the current procedures in a way that might seriously undermine our basic research capability.

At the same time, steps can, and should be taken, to assure the public that the uses to which this money is put are important and in the national interest.

Therefore, the Committee urges the Director of the Foundation to give immediate attention to procedures assuring that descriptive information, including the titles of projects, is presented in a manner that will avoid misinterpretation and that will convey to the layman some understanding of the potential significance of the scientific research being supported.

*Scientific Research Project Support.*—The support of research is the principal activity of the National Science Foundation. A major program for this purpose is Scientific Research Project Support. This is provided in virtually all fields of science. Essentially all proposals are unsolicited and subject to peer review for award on a basis of merit. Thus, the Foundation in every sense is enabled to provide support on a broad basis, to the best in science in this country. The Committee has strongly supported this use of funds and recognizes it as perhaps the most important of the Foundation's programs.

A funding level of \$345,000,000 is recommended by the Committee for project support in 1976. This is \$35,000,000 less than the budget estimate. In the overall perspective of Federal programs, the Committee believes this is a proper level of funding to maintain at this time.

*National and Special Research Programs.*—The budget estimate includes \$107,000,000 in support of certain National and Special Research Programs. These are major research efforts in specific areas of national and international cooperation. These include the Global Atmospheric Research effort, a cooperative endeavor to obtain comprehensive meteorological and other data through worldwide observations to understand the general circulation of the atmosphere. This is closely integrated with the National Center for Atmospheric Research. A

special program in Climate Dynamics, for which \$4,000,000 is requested, is new in the 1976 budget program. The International Decade of Ocean Exploration and the Ocean Sediment Coring programs are other efforts covered in this section. The Committee recommends funding these at their current levels of \$15,000,000 and \$10,500,000, respectively. Another \$16,500,000 is included for oceanographic facilities and support in marine sciences.

The budget estimate contains \$5,000,000 for Arctic and \$47,700,000 for Antarctic research programs. The Committee has approved the requested amounts for each program. A growing need is developing for more basic research data in each of the polar regions. Environmental demands have already caused substantial delays in the Alaska pipeline. Basic research and new baseline data in many scientific disciplines are being pushed to the limit.

The Antarctic Treaty of 1959 is unique in that it dedicates the continent solely to scientific and other peaceful uses. The scientific research work is serving to spearhead political agreement. The significance of this huge heatsink in making our climate and daily weather is too infrequently appreciated.

The National Science Foundation by policy direction bears full responsibility for the U.S. program in Antarctica. The support roles of the Navy and the Coast Guard are not to be minimized. The continent is a clean, natural environmental laboratory untouched by civilization. It stores nearly 90 percent of the world's fresh water in five million cubic miles of ice covering its surface. The Committee recognizes the far-reaching possibilities for unique international scientific efforts on this continent. These could be as important to the United States as political experiments as they are for advancement of scientific programs.

The amount provided for Antarctic programs includes \$18,000,000 to acquire two ski-equipped LC-130R aircraft. These are necessary to provide access and logistics support anywhere on the continent, and to assure an adequate level of safety capability for personnel. Only three similar aircraft will be available next year. This is clearly inadequate in such a remote region.

The Committee notes that the United States today has a significant, leading and cooperative role in Antarctica, including a station at the South Pole itself. Its peacefully oriented activities are fully accepted and welcomed by the world community. The United States is urged to continue this gently administered leadership so as to be most effective for the U.S. interests in the quarter century ahead.

*National Research Centers.*—In order to meet national needs for advanced research in astronomy and atmospheric science, the Foundation provides support for the development and operating costs of five National Research Centers. These are the National Astronomy and Ionosphere Center south of the city of Arecibo, Puerto Rico; the Kitt Peak National Observatory in Arizona; a similar facility for the southern hemisphere at Cerro Tololo, Chile; the National Radio As-

tronomy Observatory with installations at Green Bank, West Virginia, Kitt Peak, and the new Very Large Array under construction in New Mexico; and the National Center for Atmospheric Research with primary activities at Boulder, Colorado. The Committee recommends \$59,000,000, plus the \$2,000,000 deferred in 1975 in support of these centers next year. This appropriation is \$6,600,000 above the 1975 level. The reductions below the total requested should be made by a close examination of support costs in several areas at each center.

*Science Education.*—In recent years science education support has been substantially downgraded by the Foundation and the Administration. The Committee is greatly concerned about the extent to which the National Science Foundation has supported the promotion and marketing of course curriculum for elementary and secondary schools and the concentration of these activities on courses that have been developed with NSF or other federal support. The Committee recognizes the need to acquaint teachers with new course materials but federal support for activities designed to get high school and elementary school administrators, members of school boards and other curriculum decision makers to adopt curricula developed with Federal funds could lead to the establishment of a single federal standard for education in the various fields of science.

It is significant that one social science course for 5th graders entitled "MAN: A Course of Study" which has stirred considerable controversy because of its value orientation which many parents feel runs counter to western cultural standards has already been implemented in 1,700 schools nationwide. NSF recently funded a grant to the developers of MACOS which announced plans for the further spread of these studies. Regardless of the merits of a particular course of study, the Committee believes that the provision of federal funding for unique education marketing activities tends to give particular courses unfair advantage in the market place and therefore it is of extreme importance that federal intervention in the development of curriculum, and especially in its implementation be fully justified on a course-by-course basis to the Congress and to a broad base of public, educator, and professional organizations and parent groups nationwide.

The Committee is chiefly concerned about courses which are value oriented and which fall in the broad behavioral science category. This includes MAN: A Course of Study, Exploring Human Nature and other courses dealing with political attitudes and moral values. Since the Foundation is currently developing a number of courses in these areas and is in the process of implementing others which have never been reviewed by the Committee in terms of their national need, the Committee has included no funds for the implementation of courses in 1976. This will give the Foundation time to prepare the necessary data and to fully inform the Congress and the public of its intentions and the basis on which it has determined the pressing national need for such course material. It will also give the Congress time to fully evaluate the impact of federal involvement in this field and arrive

at effective public policy guidelines for the development and implementation of such materials. This means that no funds are appropriated for implementing courses that were budgeted in the line items for "Instructional Improvement Implementation" in the elementary and secondary school programs.

The authorizing committees are currently reviewing the education program structure in some detail and allocations of funds are still pending. The Committee recommends total new funds of \$60,000,000 for science education activities. This may be supplemented with from \$4,000,000 to \$9,500,000 of deferred funds from 1975, and the reapplication of the \$9,200,000 denied for Instructional Improvement Implementation. The proportionate allocation of such funds, in general conformance with the authorization that may be provided for such programs, is contained in the language of the bill. This proportionate allocation is expected to be applied to elements within programs based upon appropriation availability to the program in the same way the proportionate allocation to programs is applied based upon total availability.

A limitation providing not more than \$1,000,000 for a program of Ethical and Human Value Implications is included under the Science Education program. This provides a substantial increase for next year.

*Research Applied to National Needs.*—In recent years more emphasis has been placed on exploring opportunities for industry, government and the university-based research community to undertake cooperative efforts to address major national problems. The bill includes \$60,000,000 for these programs plus the \$8,000,000 carried forward from funds deferred in 1975.

A major effort is being made in the environmental sciences, for which the budget amount of \$24,000,000 is recommended. This includes the allocation of not to exceed \$4,500,000 for earthquake engineering support which is set forth in the bill.

The energy role of NSF is substantially less than 1975 due to large transfers of responsibility to the Energy Research and Development Administration. This will permit RANN funds to be used for some increased efforts in other programs in 1976. Other major thrusts in productivity and exploratory research and problem assessment are also supported in this program.

*Other Science Activities.*—In addition to the foregoing major programs, there are a number of other science policy, advisory, information, assessment and cooperative programs in which the Foundation is involved. These include support for the Director as Science Advisor to the President. Most of these are set forth in the table earlier in the report. The total requested for these various activities is \$26,200,000, and the Committee recommends this total for such purposes.

The bill includes language providing that not more than \$4,000,000 may be used for Intergovernmental Science and Research Utilization. This is an increase of \$2,000,000 over 1975 and \$1,000,000 above the

budget estimate. It includes not to exceed \$2,000,000 for the Intergovernmental Science sub-program. This doubles the level of funds available for this activity in 1975 and is in addition to efforts under RANN directed at promoting more effective use of science research by State and local governments.

*Program Development and Management.*—The Committee recommends \$41,000,000 for the operation, support, management, and direction of the NSF programs and activities previously described. This is an increase of \$2,300,000 above the current year, and \$700,000 less than the request. This is necessary to cover general cost increases in a number of items, but essentially continues the present support and employment level for the Foundation in 1976.

#### SCIENTIFIC ACTIVITIES (SPECIAL FOREIGN CURRENCY PROGRAM)

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation.....	\$4, 850, 000	-----
Estimate, 1976.....	4, 000, 000	\$500, 000
Recommended in bill.....	4, 000, 000	500, 000

For a number of years the National Science Foundation has been able to utilize government owned excess foreign currencies of certain countries to support cooperative scientific projects for our mutual benefit. This has included collecting, translating, abstracting and disseminating of foreign scientific and technical information as well as travel of U.S. and foreign scientists involved in mutually beneficial efforts. The Committee recommends the budget estimate of \$4,000,000 for these purposes, and \$500,000 for the transition period.

#### SELECTIVE SERVICE SYSTEM

##### SALARIES AND EXPENSES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation.....	\$45, 000, 000	-----
Estimate, 1976.....	47, 887, 000	\$9, 300, 000
Recommended in bill.....	40, 000, 000	8, 300, 000
Decrease below estimate.....	-7, 887, 000	-1, 000, 000

The Committee recommends an appropriation of \$40,000,000 for the Selective Service System in 1976. This is a decrease of \$7,887,000 below the budget estimate. The bill also includes \$8,300,000 for the transition period, a reduction of \$1,000,000 below the budget request. Included within the decrease is a ten percent reduction for GSA space rental costs.

The Selective Service System's mission in standby since inductions ceased in 1973 has been to register all persons required to be registered under the Military Selective Service Act. This has been accomplished with a reduced organizational structure but one which will have the capability to expand and be reconstituted into an operational system to

provide inductees to the Department of Defense to fulfill emergency mobilization manpower requirements.

Major program adjustments including the development of alternate registrant processing procedures will continue next year. Local board operations will be phased down as soon as new procedures for the standby system are tested and found to be effective. Under these new procedures, an annual registration test will be implemented and evaluated early in 1976. Classification activity will not be reinstated until induction authority is requested by the President. These changes are being designed to decrease operating costs beginning in the transition period.

The recommended amount will require that the reduction-in-force begin earlier in fiscal year 1976 than anticipated in the budget. The planned employment decline to 1,424 positions, scheduled to begin in January 1976, should be accelerated. It should be noted that personnel strength has been reduced from 6,241 on June 30, 1973, to an estimated 1,424 on June 30, 1976.

The bill does not provide for the earmarking of \$6,000,000 for a reconciliation program. Similar activities have been carried out for conscientious objectors for many years, and the Director should use such funds as is deemed necessary to carry out this activity.

#### VETERANS ADMINISTRATION

The Veterans Administration is the third largest Federal agency. It employs more than 210,000 people, administers benefits for almost 29.5 million veterans, 65 million family members of living veterans, and 3.9 million survivors of deceased veterans. More than 98 million people, comprising about 46 percent of the total population of the United States are potential recipients of benefits provided by the Federal government.

The President to date has submitted budget estimates for veteran programs in the amount of \$16,424,264,000 for the fiscal year 1976, and \$3,881,019,000 for the transition period. On several occasions additional funds have been required to meet higher caseloads than expected in the current fiscal year and higher benefit payments enacted by the Congress. A marked upward increase has been noted in the utilization of both readjustment benefit and compensation and pension benefits by veterans in the currently depressed economy. The Committee anticipates that these expanding needs will continue and will require not less than an additional one billion dollar appropriation later in the year. The total for veteran benefits is thus expected to exceed \$17.5 billion in 1976.

The programs recommended by the Committee in the bill are among the most, if not the most comprehensive and generous any nation of the world provides for its veterans. The 171 hospitals and other medical facilities in the VA system comprise the Nation's largest organization for health care delivery. Direct and guaranteed housing loans have been issued to date aggregating in excess of \$109 billion to more than

9,056,000 veterans and servicemen. The life insurance programs administered or supervised for the benefit of servicemen, veterans and their beneficiaries have provided coverage exceeding \$98.4 billion to some 8.2 million policy holders.

For many years the Veterans Administration has been a leader in utilizing automatic data processing systems to administer its programs more efficiently. This has brought reductions in operating costs that could not otherwise have been achieved. Among the many applications of such systems in 1976 will be the distribution of at least \$11.6 billion in compensation, pension and education benefits to the 7.5 million people entitled to such payments.

The latest addition of responsibility to the VA Administrator is the management and direction of the National Cemetery System, which was transferred from the Army on September 1, 1973. A total of 135 cemeterial stations in 103 National Cemeteries and 32 miscellaneous burial plots and monument sites in 37 states comprise the System.

The total recommended by the Committee for these programs in 1976 is \$16,431,764,000. This is \$127,747,000 above the amounts appropriated in 1975, and an increase of \$7,500,000 above the total budget estimates that have been submitted to date. This is again the largest annual amount in history for the purposes described in the specific recommendations that follow for the individual programs.

#### COMPENSATION AND PENSIONS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation.....	\$7, 539, 400, 000	-----
Estimate, 1976.....	7, 499, 700, 000	\$1, 885, 400, 000
Recommended in bill.....	7, 499, 700, 000	1, 855, 400, 000

This appropriation provides funds for service-connected compensation to an estimated 2,577,969 beneficiaries, and pension payments to another 2,215,310 beneficiaries for non-service connected disabilities. The average cost per case for compensation is estimated at \$1,791, and pension payments are projected at a unit cost of \$1,227. Workload is running about 5,600 more than planned in compensation cases, and pensions to veterans and survivors are about 40,000 less than expected.

The Committee recommends the full request of \$7,449,700,000, and \$1,885,400,000 for the transition period. Further funding will be necessary as more precise estimates of caseload increases develop, and as final disposition is made of pending legislation to further increase compensation rates.

#### READJUSTMENT BENEFITS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation.....	\$4, 550, 738, 000	-----
Estimate, 1976.....	4, 214, 475, 000	\$854, 472, 000
Recommended in bill.....	4, 214, 475, 000	854, 472, 000

The Committee recommends the budget estimate of \$4,214,475,000 in fiscal year 1976 and \$854,472,000 in the transition period for readjustment benefits. Based on the latest level of readjustment benefit

payments it is estimated that there is a deficiency of over one billion dollars in this account for 1976.

The Committee has noted that overpayments related to the education and training program benefits have increased at a much greater rate than program costs. There are a number of reasons for the increase in overpayments. The most significant are:

(1) Legislation authorizing advance and prepayments of benefits (Public Law 92-540). This law provides for monthly prepayment of benefits to trainees, in lieu of the previous procedure of paying benefits at the end of the month for which training was received.

(2) Failure of training institutions to advise VA of initial enrollment and changes in training status or interruptions on a timely basis.

(3) Failure of trainees to report changes in training status.

(4) Relaxation of procedures to assure timely payment benefits.

Accounts receivable continue to increase in fiscal year 1975. During the first nine month period the total receivables subject to recovery amounted to \$406 million. Of this amount \$283 million were overpayments established during this period. As of March 31, 1975, the accounts receivable balance on hand was \$169 million. During this same period \$230 million of the overpayments were recovered through collection actions.

The Committee urges the Veterans Administration and the Congress, jointly, to take whatever action may be required to reduce the incidence and volume of overpayments to the lowest possible level, consistent with insuring timely payment of monthly education benefits to veterans, and to reduce the outstanding overpayment balances through continued improvements in the collection procedures and operations.

The Committee is most concerned that funds appropriated for these educational benefits are utilized specifically for the purpose intended by law. Should this trend continue, the Committee has no recourse but to look further into this matter on future requests for funds.

#### VETERANS INSURANCE AND INDEMNITIES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$8,750,000	-----
Estimate, 1976-----	6,600,000	\$2,450,000
Recommended in bill-----	6,600,000	2,450,000

The budget estimate of \$6,600,000 for fiscal year 1976 and \$2,450,000 for the transition period are recommended for the cost to various insurance funds for claims traceable to the extra hazards of service and death claims on policies under waiver of premium while the insured were on active duty.

#### MEDICAL CARE

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$3,317,520,000	-----
Estimate, 1976-----	3,667,866,000	\$949,702,000
Recommended in bill-----	3,666,711,000	949,413,000
Decrease below estimate-----	-1,155,000	-289,000

The Committee recommends \$3,666,711,000 for fiscal year 1976 and \$949,413,000 for the transition period to provide for medical care and treatment of eligible beneficiaries in VA hospital, nursing home care,

domiciliary and outpatient clinic facilities; contract hospitals; State domiciliaries, nursing homes and hospitals; contract community nursing homes; and out-patient programs on a fee basis. Hospital and out-patient care is also provided by the private sector for certain dependents and survivors of veterans under the civilian health and medical program of the Veterans Administration. Funds are also used to train medical residents and other professional, paramedical and administrative personnel in health-science fields to support the VA's medical care programs and the Nation's manpower demand in these shortage categories.

For several years the Committee has addressed its concern to the adequacy of the budget requests for the medical program, most specifically the need for additional hospital personnel. The Veterans Administration has recently completed a study of its health care delivery system. The results were made known in "Report of Special Survey of Level of Quality of Patient Care at Veterans Administration Hospitals and Clinics". The survey indicated a need for additional resources for core staffing, firefighting, specialized medical services, mental hygiene clinics, safety and fire protection, correction of electrical deficiencies and replacement of boiler plant equipment at many of its hospitals.

The bill includes an increase of \$112,052,000 for an increase in average employment of 5,783 for fiscal year 1976 to meet needs addressed in the Quality of Care Survey. The Committee also has provided \$237,139,000 above the fiscal year 1975 appropriation for covering higher medical care costs and improving the program in 1976.

#### MEDICAL AND PROSTHETIC RESEARCH

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$91,377,000	-----
Estimate, 1976-----	95,000,000	\$24,714,000
Recommended in bill-----	95,000,000	24,714,000

The bill provides the budget estimate of \$95,000,000 for fiscal year 1976 and \$24,714,000 for the transition period for Medical and Prosthetic Research. The amount recommended for fiscal year 1976 will allow for an increase of 155 in average employment above 1975. The amount recommended for the transition period will continue the fiscal year 1976 level of operations.

The medical research program is an important aspect of VA programs for providing complete medical and hospital service for veterans. The prosthetic research program is also essential in the development and testing of prosthetic, orthopedic and sensory aids for the purpose of improving the care and rehabilitation of disabled eligible veterans, including amputees, paraplegics and the blind. The health services research and development projects at VA hospitals provide unique opportunities to improve the economy of delivery of health services, and also the accessibility of such services.

#### ASSISTANCE FOR HEALTH MANPOWER TRAINING INSTITUTIONS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$10,000,000	-----
Estimate, 1976-----	30,000,000	\$8,332,000
Recommended in bill-----	30,000,000	8,332,000

This program provides grants to assist in the establishment of new State medical schools at colleges or universities primarily supported by the State and operated in conjunction with VA medical facilities. Grants are also provided to existing affiliated medical schools and other health manpower institutions to expand and improve medical training. Funds are also provided for the expansion of VA hospitals' education and training capacity.

The Committee recommends the budget estimates of \$30,000,000 for fiscal year 1976 and \$8,332,000 for the transition period. There is an anticipated unobligated balance of \$14,308,000, which will provide for a total program of \$44,308,000 in 1976.

#### MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$37, 508, 000	-----
Estimate, 1976-----	38, 528, 000	\$10, 230, 000
Recommended in bill-----	38, 528, 000	10, 230, 000

This bill provides the budget estimates of \$38,528,000 for fiscal year 1976 and \$10,230,000 in the transition period for executive direction of all agency medical programs. It also includes planning and management of a department-wide program of research and development in health services delivery systems, continuing education programs for professional medical and administrative staff, and the exchange of medical information.

The amount in the bill will permit an increase of 27 in average employment; 26 in medical administration and one in research and development in health services. The amount recommended for the transition period will maintain the funding and employment levels provided in fiscal year 1976.

#### GENERAL OPERATING EXPENSES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$432, 028, 000	-----
Estimate, 1976-----	452, 957, 000	\$112, 844, 000
Recommended in bill-----	462, 300, 000	112, 164, 000
Change from estimate-----	+9, 343, 000	-680, 000

The Committee recommends \$462,300,000 for 1976 and \$112,164,000 in the transition period for the administration of nonmedical veterans benefits through the Department of Veterans Benefits; operation and maintenance of 103 national cemeteries in the National Cemetery System; data processing and communications systems in the Department of Data Management; and top management direction and support through agency-level staff officers.

The budget proposed a decrease of 463 in average employment for general operating expenses. The Committee has added \$12,044,000 for 1,000 temporary positions to meet the increased workload in the benefit programs. The reductions of \$2,701,000 in fiscal year 1976 and \$680,000 in the transition period represent ten percent decreases in GSA space rental charges.

While the Veterans Administration has made a remarkable record of effectively using modern technology to manage and improve its programs, the Committee is concerned that the equipment and capa-

bility at the Hines center is becoming antiquated and overloaded. The Target System offers the promise of a new breakthrough in quality of service to veterans and should be advanced as soon as the programs are proven and the costs justified.

#### CONSTRUCTION, MAJOR PROJECTS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$251, 127, 000	-----
Estimate, 1976-----	297, 464, 000	\$15, 860, 000
Recommended in bill-----	299, 924, 000	15, 860, 000
Increase above estimate-----	+2, 460, 000	-----

This appropriation for the construction of major projects includes those estimated to cost \$1,000,000 or more. It finances the construction of new facilities, and the modernization, alteration and improvement of others. The bill provides \$299,924,000 for projects requested in the 1976 program and \$15,860,000 for the transition period.

Last year the Committee included language in the report directing the Veterans Administration to reprogram funds for construction of a needed research and education building at the Houston hospital. These were not apportioned as indicated, and the Committee is earmarking \$6,259,000 in the bill for this purpose. An addition of \$2,460,000 is included in the total of the bill for the expansion of clinic and outpatient facilities in Building No. 1 and correction of fire and safety deficiencies at the Northampton hospital to begin its modernization this year.

Finally, the Committee is advised that one of the locations being considered for a new cemetery is at the historic shrine at Valley Forge, Pennsylvania. There is no justification for developing national shrines as cemeteries or overly concentrating activities at such locations. The Committee has therefore denied any funds for planning, developing or constructing a national cemetery in that area.

The Committee's investigative staff recently completed a review of the VA construction program. The report found serious weaknesses in the construction planning and budgetary process which are largely responsible for the continuing high level of cost overruns on major VA hospital construction projects. Because of the lack of effective planning, projects are often placed in the VA construction program before they are fully developed. Projects are also placed in the budget based on early cost estimates which are inaccurate, incomplete, or deliberately understated. Consequently, sufficient funds are not available for the projects, and subsequent budget increases result in significant cost overruns.

The lack of effective long-range planning and development of hospital construction projects is one of the primary reasons for cost overruns. The magnitude of these cost escalations is shocking. For 28 major hospital construction projects the costs increased in total by \$545.8 million since the original budget submission to the Congress, or from \$677.3 million to \$1.223 billion. Individual projects have increased as much as 391 percent. The current cost estimate was more than double the initial budget estimate on 10 of the 28 projects. The Committee is deeply concerned with this cost overrun problem and will expect the program to be improved without delay.

A listing of the projects reviewed and amounts approved and recommended by the Committee this year is as follows:

CONSTRUCTION OF FACILITIES—MAJOR PROJECTS  
FISCAL YEAR 1976

Item and location	Appropriation		
	Available through 1975	Recommended for 1976	Future requirement
<b>Replacement and modernization:</b>			
Augusta, Ga., replacement hospital.....	\$7,067,000	\$50,393,000	-----
Boise, Idaho, new clinical support facility.....	4,404,000	1,441,000	-----
Bronx, N.Y., replacement hospital.....	72,406,000	30,594,000	-----
Columbia, S.C., new bed building and boiler plant.....	24,666,000	20,334,000	-----
Loma Linda, Calif., replacement hospital.....	53,010,000	18,004,000	-----
Phoenix, Ariz., modernization and expansion of facilities, phase II.....	600,000	7,314,000	-----
St. Albans, N.Y., modernization.....	4,600,000	1,400,000	-----
West Roxbury, Mass., spinal cord rehabilitation center and modernization.....	11,491,000	1,074,000	\$6,997,000
<b>Total, replacement and modernization.....</b>	<b>178,244,000</b>	<b>130,554,000</b>	<b>6,997,000</b>
<b>Nursing home care facilities:</b>			
Gainesville, Fla., 120 beds.....	-----	238,000	3,175,000
Hampton, Va., 120 beds.....	-----	238,000	3,175,000
Jackson, Miss., 120 beds.....	183,000	3,390,000	-----
Manchester, N.H., 120 beds.....	3,607,000	354,000	-----
Memphis, Tenn., 120 beds.....	-----	246,000	3,278,000
Miami, Fla., 120 beds.....	-----	270,000	3,593,000
Palo Alto, Calif., 150 beds.....	-----	388,000	5,177,000
Washington, D.C., 120 beds nursing home care and clinical facilities.....	125,000	838,000	9,580,000
Wilmington, Del., 60 beds.....	94,000	1,800,000	-----
<b>Total, nursing home care facilities.....</b>	<b>4,009,000</b>	<b>7,762,000</b>	<b>27,978,000</b>
<b>Research and education facilities: Houston, Tex.....</b>	<b>328,000</b>	<b>6,259,000</b>	-----
<b>Cemeteries:</b>			
Honolulu, Hawaii, administration building/visitor center and parking structure.....	125,000	2,842,000	-----
Willamette, Oreg., develop 38 acres and additional facilities.....	640,000	2,118,000	-----
Willamette, Oreg., design mausoleums/columnariums, No. 2.....	-----	90,000	1,500,000
Region I, develop 20 acres and additional facilities.....	250,000	2,000,000	-----
Region I, visitor center.....	-----	115,000	1,500,000
Region III, develop 20 acres and additional facilities.....	250,000	2,000,000	-----
Region III, visitor center.....	-----	135,000	1,800,000
Region III, develop 20 acres and additional facilities.....	-----	2,000,000	-----
Region III, visitor center.....	-----	150,000	2,000,000
Region IX, develop 20 acres and additional facilities.....	250,000	2,000,000	-----
Region IX, visitor center.....	-----	150,000	2,000,000
<b>Total, cemeteries.....</b>	<b>1,515,000</b>	<b>13,600,000</b>	<b>8,800,000</b>
<b>Improvements to outpatient clinics:</b>			
Atlanta, Ga.....	86,000	1,014,000	-----
Cincinnati, Ohio.....	359,000	4,784,000	-----
Hines, Ill.....	186,000	2,713,000	-----
Kansas City, Mo.....	560,000	6,543,000	-----
Long Beach, Calif.....	644,000	8,587,000	-----
Providence, R.I.....	228,000	3,299,000	-----
St. Louis (Jefferson Barracks), Mo.....	158,000	2,512,000	-----
Tucson, Ariz.....	275,000	2,466,000	-----
<b>Total, improvements to outpatient clinics.....</b>	<b>2,496,000</b>	<b>31,918,000</b>	-----
<b>Air-conditioning systems:</b>			
Augusta, Ga. (Lenwood).....	260,000	3,930,000	-----
Biloxi, Miss. (Gulfport).....	1,077,000	146,000	-----
Fayetteville, Ark.....	284,000	2,969,000	-----
Lexington, Ky.....	574,000	7,658,000	-----
Mountain Home, Tenn.....	165,000	1,695,000	-----
Perry Point, Md.....	1,029,000	13,714,000	-----
Poplar Bluff, Mo.....	2,109,000	706,000	-----
Salem, Va.....	540,000	6,348,000	-----
Tucson, Ariz.....	299,000	4,430,000	-----
<b>Total, air-conditioning systems.....</b>	<b>6,337,000</b>	<b>41,596,000</b>	-----

CONSTRUCTION OF FACILITIES—MAJOR PROJECTS—Continued

FISCAL YEAR 1976

Item and location	Appropriation		
	Available through 1975	Recommended for 1976	Future requirement
<b>Other general projects:</b>			
Battle Creek, Mich., deadend corridor stairs.....	\$100,000	\$1,247,000	-----
Bay Pines, Fla., clinical improvements.....	-----	3,198,000	-----
Bay Pines, Fla., replace boiler plant.....	118,000	1,567,000	-----
Birmingham, Ala., deadend corridor stairs and miscellaneous OSHA deficiencies.....	141,000	1,875,000	-----
Canandaigua, N.Y., new engineering shop and office building.....	-----	123,000	\$1,640,000
Canandaigua, N.Y., 2d exits from rooms over 1,000 ft. <sup>2</sup> .....	365,000	4,869,000	-----
Chicago (Research), Ill., remodel surgical area.....	-----	413,000	5,506,000
Dayton, Ohio, clinical addition.....	-----	960,000	8,656,000
Denver, Colo., deadend corridor stairs.....	98,000	1,310,000	-----
Downey, Ill., deadend corridor stairs.....	253,000	3,373,000	-----
East Orange, N.J., deadend corridor stairs.....	144,000	1,913,000	-----
East Orange, N.J., correction electrical deficiencies.....	1,025,000	214,000	-----
Fayetteville, Ark., correction electrical deficiencies.....	180,000	1,616,000	-----
Gainesville, Fla., clinical improvement phase I.....	497,000	6,832,000	-----
Huntington, W. Va., clinical improvement.....	158,000	1,810,000	-----
Huntington, W. Va., addition building, No. 1.....	-----	264,000	3,525,000
Kansas City, Mo., deadend corridor stairs.....	118,000	1,464,000	-----
Leavenworth, Kans., new laundry building.....	2,431,000	936,000	-----
Minneapolis, Minn., deadend corridor stairs.....	123,000	1,638,000	-----
Muskogee, Okla., deadend corridor stairs.....	118,000	1,575,000	-----
New York, N.Y., deadend corridor stairs.....	410,000	5,468,000	-----
New York, N.Y., correct electrical deficiencies.....	1,031,000	346,000	-----
Northampton, Mass., expansion of clinic and outpatient facilities at Building # 1 and correction of fire and safety deficiencies.....	-----	2,460,000	-----
Northport, N.Y., deadend corridor stairs.....	102,000	1,264,000	-----
Oklahoma City, Okla., deadend corridor stairs.....	105,000	1,396,000	-----
Oklahoma City, Okla., correct electrical deficiencies.....	186,000	1,676,000	-----
Perry Point, Md., correct electrical deficiencies.....	195,000	1,750,000	-----
Reno, Nev., clinical improvement.....	700,000	2,557,000	5,150,000
Salem, Va., renovate building No. 77.....	-----	105,000	1,395,000
Salem, Va., deadend corridor stairs.....	314,000	4,188,000	-----
Salem, Va., new clinical building.....	-----	157,000	2,094,000
Salt Lake City, Utah, clinical improvement.....	-----	84,000	1,124,000
Sepulveda, Calif., deadend corridor stairs and elevator.....	113,000	1,501,000	-----
St. Albans, N.Y., laundry consolidation.....	-----	1,996,000	-----
St. Louis (Jefferson Barracks), Mo., deadend corridor stairs.....	98,000	1,221,000	-----
Tuscaloosa, Ala., deadend corridor stairs.....	149,000	1,983,000	-----
White River Junction, Vt., clinical improvement.....	150,000	3,645,000	-----
<b>Total, other general projects.....</b>	<b>9,422,000</b>	<b>68,994,000</b>	<b>29,090,000</b>
<b>Correction of seismic deficiencies.....</b>	-----	<b>5,000,000</b>	-----
<b>Computer center alterations and additions: Washington, D.C.....</b>	-----	<b>500,000</b>	-----
<b>Reprogramming for Houston research education building.....</b>	-----	<b>-6,259,000</b>	-----
<b>Total, major projects, fiscal year 1976.....</b>	<b>202,351,000</b>	<b>299,924,000</b>	<b>72,865,000</b>

TRANSITION QUARTER

Item and location	Available through fiscal year 1976	Recommended for transition quarter	Future requirement
Replacement and modernization: Madison, Wis., modernization.....	\$134,000	\$10,683,000	-----
Nursing home care: Palo Alto, Calif., 150 beds.....	388,000	5,177,000	-----
<b>Total, major projects, transition quarter.....</b>	<b>522,000</b>	<b>15,860,000</b>	-----

## CONSTRUCTION, MINOR PROJECTS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$51, 894, 000	
Estimate, 1976-----	106, 426, 000	\$16, 490, 000
Recommended in bill-----	106, 426, 000	16, 490, 000

This appropriation provides for constructing, altering, extending and improving any of the facilities under the jurisdiction of the VA, including planning, architectural and engineering services, and site acquisition where the estimated cost of a project is less than \$1,000,000. Also included are the costs of the Office of the Assistant Administrator for Construction. The Committee recommends the budget estimate of \$106,426,000 for these purposes, and the \$16,490,000 requested for the transition period. This is more than double the amount of last year.

Of the amount recommended for fiscal year 1976, \$987,000 is provided for nursing home care projects, \$3,000,000 for cemetery projects, \$87,639,000 for other projects and \$14,800,000 for general administration. Of the amount recommended for the transition period, \$150,000 is allocated for nursing home care projects, \$1,000,000 for research and education projects, \$1,915,000 is for cemetery projects, \$9,510,000 for other projects, and \$3,915,000 for general administration.

## GRANTS FOR THE CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

	<i>Fiscal year</i>
1975 appropriation-----	\$9, 700, 000
Estimate, 1976-----	10, 000, 000
Recommended in bill-----	10, 000, 000

The bill provides the requested \$10,000,000 for this account, including \$5,000,000 for grants to assist States in the construction of State facilities for furnishing nursing home care to war veterans. These grants may not exceed 65 percent of the total cost of the project and may not provide for more than two and one-half beds per thousand war veteran population in any State.

Another \$5,000,000 provides grants to assist States remodel, modify or alter existing hospital and domiciliary facilities in State Homes. Such grants may not exceed 65 percent of the total cost of the project, nor may any one State receive in any fiscal year more than 20 percent of the amount appropriated for that fiscal year.

## GRANTS TO THE REPUBLIC OF THE PHILIPPINES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$2, 050, 000	
Estimate, 1976-----	2, 100, 000	\$525, 000
Recommended in bill-----	2, 100, 000	525, 000

The Committee recommends the budget estimates of \$2,100,000 in 1976 and \$525,000 for the transition period to provide grants to the Republic of the Philippines.

This program, which started in 1948, provides grants for medical care and treatment of eligible Philippine Commonwealth Army veterans and new Philippine Scouts, and for programs of medical education and training of health services personnel. Medical care and treatment is provided by the Republic of the Philippines at the Veterans Memorial Hospital in Manila, or at other facilities by contract.

Of the \$2,100,000 recommended for fiscal year 1976, \$2,000,000 is for medical care and treatment of veterans, \$50,000 is for grants for education and training of health service personnel, and \$50,000 is for grants for replacement and upgrading of hospital equipment and the physical plant.

## PAYMENT OF PARTICIPATION SALES INSUFFICIENCIES

	<i>Fiscal year</i>
1975 appropriation-----	\$1, 828, 000
Estimate, 1976-----	3, 148, 000
Recommended in bill-----	
Decrease below estimate-----	-3, 148, 000

This program has been used to cover the amount of insufficiencies in the participation sales program. It has funded the difference in costs between low VA interest loan rates and the rate in the participation sales on the mortgages that are turned over. With an estimated \$596 million in the Loan Guaranty Fund, and over \$1 billion in the direct loan revolving fund, the Committee believes that any losses should be covered from these funds and recommends the necessary language in the Loan guaranty revolving fund limitation. No funds are recommended for this account in fiscal year 1976.

## LOAN GUARANTY REVOLVING FUND (LIMITATION ON OBLIGATIONS)

	<i>Fiscal year</i>	<i>Transition period</i>
1975 limitation-----	\$500, 000, 000	
Estimate, 1976-----	550, 000, 000	\$150, 000, 000
Recommended in bill-----	550, 000, 000	150, 000, 000

The Committee recommends a limitation of \$550,000,000 in fiscal year 1976 to finance costs, other than administrative, for the loan guaranty program. The bill also includes a limitation of \$150,000,000 for the transition period.

The assistance normally provided consists of the guaranty or insurance of loans made by private lenders to veterans. The VA may make loans directly to veterans for homes and farm residences from the direct loan revolving fund under certain conditions.

As explained in the preceding item, language has been added to the bill to permit any insufficiencies in the participation sales program to be paid from the revolving fund limitation as there are ample funds in the revolving fund to cover deficiencies that may occur for many years.

TITLE III  
CORPORATIONS

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

LIMITATION OF ADMINISTRATIVE EXPENSES, GOVERNMENT NATIONAL  
MORTGAGE ASSOCIATION

	<i>Fiscal year</i>	<i>Transition period</i>
1975 limitation-----	\$8, 113, 000	-----
Estimate, 1976-----	1, 240, 000	\$350, 000
Recommended in bill-----	1, 240, 000	350, 000

The budget estimates of \$1,240,000 in fiscal year 1976 and \$350,000 in the transition period are recommended for the limitation on administrative expenses of the Government National Mortgage Association. The decrease of \$6,873,000 is attributable to a change in accounting procedure which excludes the cost of contractual services provided by the Federal National Mortgage Association from the limitation. Such service will be charged to the appropriate accounts.

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES,  
FEDERAL HOUSING ADMINISTRATION

	<i>Fiscal year</i>	<i>Transition period</i>
Administrative expenses:		
1975 limitation-----	\$14, 230, 000	-----
Estimate, 1976-----	16, 145, 000	\$3, 945, 000
Recommended in bill-----	-----	-----
Decrease below estimate-----	-16, 145, 000	-3, 945, 000
Nonadministrative expenses:		
1975 limitation-----	190, 500, 000	-----
Estimate, 1976-----	193, 962, 000	48, 280, 000
Recommended in bill-----	-----	-----
Decrease below estimate-----	-193, 962, 000	-48, 280, 000

The bill does not contain limitations on the administrative or non-administrative expenses of the Federal Housing Administration. Instead, the Committee proposes direct appropriations for all HUD activities and reimbursement to the Treasury out of FHA funds in an amount equal to the expenses actually chargeable to FHA fund activities during a year.

A more detailed explanation of this action can be found in the report under Salaries and Expenses, Housing Programs.

FEDERAL HOME LOAN BANK BOARD

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES,  
FEDERAL HOME LOAN BANK BOARD

	<i>Fiscal year</i>	<i>Transition period</i>
Administration expenses:		
1975 limitation-----	\$10, 677, 000	-----
Estimate, 1976-----	14, 765, 000	\$3, 680, 000
Recommended in bill-----	14, 665, 000	3, 650, 000
Decrease below estimate-----	-100, 000	-30, 000
Nonadministrative expenses:		
1975 limitation-----	20, 936, 000	-----
Estimate, 1976-----	19, 643, 000	4, 906, 000
Recommended in bill-----	19, 585, 000	4, 900, 000
Decrease below estimate-----	-58, 000	-6, 000

The Federal Home Loan Bank Board is responsible for regulating and supervising the savings and home-financing industry. The costs of the Federal Home Loan Bank Board operation—including the examinations of insured savings and loan associations—are met by assessing the twelve Federal Home Loan Banks and the Federal Savings and Loan Insurance Corporation for services rendered and by direct examination charges to savings and loan associations for the services of the Office of Examinations and Supervision.

The Committee recommends \$14,665,000 for a limitation on administrative expenses in fiscal year 1976 and \$3,650,000 in the transition period. The bill also provides limitations on nonadministrative expenses of \$19,585,000 in fiscal year 1976 and \$4,900,000 in the transition period. The amounts recommended include a 10 percent reduction in the General Services Administration's space rental charge. An increase of 34 in average employment is requested and recommended for 1976.

Technical language is also included in the bill to authorize the Federal Home Loan Bank Board to treat certain expenses of supervision and examination as administrative expenses. These previously have been included under the nonadministrative expense limitation.

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL SAVINGS AND LOAN  
INSURANCE CORPORATION

	<i>Fiscal year</i>	<i>Transition period</i>
1975 limitation-----	\$772, 000	-----
Estimate, 1976-----	830, 000	\$206, 000
Recommended in bill-----	820, 000	203, 000
Decrease below estimate-----	-10, 000	-3, 000

The bill provides for a limitation of \$820,000 on administrative expenses of the Federal Savings and Loan Corporation in fiscal year 1976 and \$203,000 in the transition period. The amounts recommended include a 10 percent reduction in the space rental charge payable to General Services Administration.

The Federal Savings and Loan Insurance Corporation insures savings accounts up to \$40,000 for each saver in Federal savings and loan associations, and in approved State-chartered savings and loan or building and loan associations. The Corporation must act with dispatch in its various insurance activities and protect the savings of people invested in insured associations.

TITLE IV

GENERAL PROVISIONS

The Committee recommends that the general provisions applicable to the Department and agencies carried in the current fiscal year be continued in 1976 and the transition period, except that the general provision allowing the National Aeronautics and Space Administration to transfer up to one-quarter of one percent of the appropriations available between the research and development appropriation and the research and program management appropriation is no longer required.

The travel limitation carried in Sec. 401 has been modified to limit such expenses to not to exceed ten per centum above the amounts set

forth therefor in the budget estimates submitted for the appropriations in the bill. This will permit some flexibility within each appropriation account for the payment of such expenses in view of recent legislation increasing per diem and other rates payable for travel expenses.

Section 407 is a general provision that has been added which would prohibit the use of any funds in this Act to administer any program to tax, limit or otherwise regulate parking or the review of indirect sources. This is similar to a provision in the Agriculture-Environmental and Consumer Protection Appropriation Act for 1975 and in a supplemental act in 1974.

#### TRANSFERS OF UNEXPENDED BALANCES

The following transfer provision is recommended and submitted in compliance with Clause 1(b), of rule X:

On page 6, in connection with Community Planning and Development, Community Development Grants and Transfer of Unexpended Balance:

*, of which \$964,000,000 shall be derived by transfer from the unexpended balance of budget authority provided by section 401(d)(1) of the Housing Act of 1950, as amended (12 U.S.C. 1749(d)(1), which shall be treated the same as other budget authority provided by this paragraph*

[NOTE.—The foregoing authorizes the transfer of the inactive unobligated and unexpended balance of college housing budget authority to the Community Development Grants program. A fuller explanation of this provision and the reasons therefor is found on page 11 of the report.]

#### CHANGES IN THE APPLICATION OF EXISTING LAW

Pursuant to clause 3, Rule XXI of the House of Representatives, the following statements are submitted describing the effect of provisions in the accompanying bill which directly or indirectly change the application of existing law.

1. In many cases, the Committee has found it necessary to recommend funding for ongoing activities and programs where authorizations have not and probably will not be enacted before the beginning of the new fiscal year. This includes some or all of the programs under the Department of Housing and Urban Development, Consumer Product Safety Commission, Council and Office of Environmental Quality, Environmental Protection Agency, National Aeronautics and Space Administration, National Science Foundation and the Veterans Administration.

2. The bill includes, in most instances, special one-time appropriations for all agencies for the three-month transition period from July 1, 1976, to September 30, 1976, due to the change in the beginning of fiscal year 1977 from July 1, 1976, to October 1, 1976.

3. The bill provides that appropriations shall remain available until expended for a number of programs for which the basic authorizing legislation does not presently authorize such extended availability, and in other instances where funds are authorized to remain available until expended the funds are limited to a shorter period of time.

4. Sections 401 through 407 of Title IV of the bill contain a number of general provisions, all of which are essentially as carried in previous appropriation acts, which place limitations on the use of funds in the bill and which might, under some circumstances, be construed as changing the application of existing law.

5. A provision on page 2, in connection with annual contributions for assisted housing, limits the discretion of the Secretary to set fair market rents. The funds in the bill may not be used to finance any increase more than 10 per cent above the rates published in the Federal Register through April 7, 1975. A full explanation of this limitation is found on page 5 of the report.

6. The appropriation language for the National Science Foundation on pages 23, 24 and 25 include certain limitations on the funds in this bill that in some instances may be less than the minima contained in a pending authorization. The provisions also limit the allocation of appropriated funds in this bill proportionate to authorized totals when certain purposes are specified. An explanation of these limitations is more fully covered on pages 32 through 37 of the report.

7. A new provision is recommended on page 37 to provide reimbursement to the Treasury for certain administrative expenses of the Federal Housing Administration that in this bill are being provided from appropriations. This technical language is necessary for accounting purposes to make the offsetting adjustments between appropriated and corporate funds. A further explanation of this provision appears on pages 8 and 9 of the report.

#### LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in connection with any appropriation bill are recommended:

On page 8, in connection with Research and Technology:

*: Provided, That \$400,000 of the foregoing amount shall be used only for a grant to the Housing Assistance Council.*

[NOTE.—An explanation of this provision is found on page 14 of the report.]

On page 32, in connection with Construction, Major Projects:

*: Provided, That \$6,259,000 shall be available for construction of a research and education facility at Houston, Texas, and \$2,460,000 for expansion of clinic and outpatient facilities and correction of fire and safety deficiencies at Northampton, Massachusetts:*

[NOTE.—An explanation of this provision is found on page 43 of the report.]

On page 39, in connection with the Federal Home Loan Bank Board:

*such part as the Board determines not to be field expense, which part shall be treated as if expenses of supervision and examination were not as such excluded from administrative expense, and except*

[NOTE.—An explanation of this provision is found on page 49 of the report.]

#### MINORITY VIEWS OF HON. CLARENCE E. MILLER

I regrettably cannot vote for this bill in its present form. While it contains a number of worthy items, such as Veterans Administration programs, housing for the handicapped, energy research and development money and water pollution abatement funds, the enormously disturbing new housing program, known as Section 8, overwhelms all other considerations. This new program is not only horrendously expensive, but also will provide many nonworking individuals better housing than those taxpayers putting in a 40-hour week.

The General Accounting Office noted that up to two-thirds of all renters in selected cities could be eligible for the program. While there are no *immediate* plans to effectuate Section 8 on such a massive scale, programs of this nature have a pronounced tendency to expand to their logical conclusion. Thus, if all eligible families were to receive Section 8 assistance, best estimates are that current annual costs would run in the neighborhood of \$15 billion. It is apparent the proverbial camel is pushing his nose under the tent.

Section 8 will inevitably place nonworking individuals in living conditions far superior to many of our lower middle income citizens and even some of our working poor. That the latter will be asked to subsidize the former through their taxes is an added insult. In my judgment, when a family lives in a two bedroom unit in Washington subsidized to the tune of \$374 a month in housing payments, too much is being asked. This is not reasonable housing; it is extraordinarily good housing, far more adequate than many, if not most, of our non-subsidized citizens now occupy.

On page 5 of the Committee Report a table listing Fair Market Rents" used in the Section 8 housing program is printed. It is important to note that this table reflects only the fair market rents for two bedroom units. Those figures increase for a three bedroom unit for a four or more bedroom unit. Thus, the fair market rent in fiscal year 1976 would be an estimated \$9,250 per year, an amount which would be the actual subsidy, for a four or more bedroom unit in New York City. The maximum would, of course, be subject to the area office director's discretionary authority to increase the amount by 10 percent.

CLARENCE MILLER.

## DISSENTING VIEWS OF HON. WILLIAM L. ARMSTRONG

This bill may afford Congress the last clear chance to straighten out the new Section 8 Housing subsidy program before it gets completely out of control.

Since the inception of this program, more than \$10.7 billion has already been committed; and, if this legislation is approved without change, an additional \$22.725 billion will be committed in the next fiscal year for a total eventual cost of \$33.4 billion over the 35- to 40-year period projected by HUD—a truly staggering sum for a program that only began last August 22.

At the present rate of increase, these programs will soon cost \$15 billion per year with eventual total costs (not including interest on money borrowed) of \$600 billion or more, based on estimates furnished to the Appropriations Committee. I seriously doubt many Members of the House fully realized the consequences of this program. As presently structured and as funded in this bill—

Up to two-thirds of all renters in selected cities could be eligible for Section 8 subsidies, according to GAO. It is hard to imagine justification for a program of such scope. Nor can it be doubted that many homeowners will be tempted to give up ownership in favor of renting when such lavish incentives are available.

The subsidy to a single family could be as much as \$7,464 per year. How can we possibly justify paying such an unbelievably high subsidy out of funds provided by taxpayers whose total income is less? (The per capita national income is only \$6,127.)

In many instances the persons receiving rent subsidies also receive other federal assistance such as AFDC, Food Stamps, etc. According to a New York welfare expert, a "typical" AFDC family (consisting of a mother and two children) could receive total benefits, including rent subsidy, exceeding \$10,000 per year; larger families would receive proportionately greater amounts, up to \$20,000 per year, a prospect which must certainly infuriate an "average" taxpaying family whose income is only \$12,051.

Even the estimated individual benefits and the astronomical projected costs may be too low since they are based on stable rental price levels. However, the committee permits a 10-percent annual increase, a proposed limit which is better than the present completely uncontrolled situation. But whatever increase is permitted must be reflected in compounding higher totals over the life of the program.

Unless the bill is drastically amended, I will have no choice but to vote against the bill.

For the benefit of my colleagues, I submit the following information regarding the trend of costs in this and related housing subsidy programs:

(54)

MAXIMUM AND ESTIMATED FEDERAL ASSISTANCE PAYMENT COSTS FOR SUBSIDIZED HOUSING PROGRAMS FROM INCEPTION OF PROGRAM THROUGH FISCAL YEAR 1976

	Public housing				Rent supplements				Total			
	Sec. 8	Owned	Sec. 23	Modernization	Sec. 236	Market rate		Piggy back		Sec. 235	Sec. 221(c) (3) BMR	Sec. 202
						1966-74	1966-75					
Period covered	1975-76	1937-76	1966-74	1968-76	1967-76	1966-75	1966-75	1966-75	1969-73 *	1966-70	1966-70	(1)
Contract or loan authority (thousands)	\$1,749,750	\$966,713	\$242,730	\$147,357	\$700,000	\$262,148	\$262,148	\$262,148	\$400,883	\$1,607,000	\$277,000	(1)
Number of units supported	600,000	1,167,108	170,490	264,800	603,236	123,890	87,110	87,110	483,265	95,200	19,700	3,349,989
Maximum years commitment	15-20	40	13.5	20-21	40	40	40	40	30	40	50	(1)
Estimated years subsidy is paid	15-20	40	13.5	20-21	21-37	40	40	40	12-15	40	50	(1)
Maximum contractual payments (thousands)	\$33,442,500	\$38,668,520	\$3,276,855	\$3,027,541	\$28,000,000	\$10,485,920	\$10,485,920	\$10,485,920	\$12,026,490	\$425,000	\$90,000	\$129,442,826
Estimated contractual payments (thousands)	\$33,442,500	\$38,668,520	\$3,276,855	\$3,027,541	\$11,710,321	\$10,062,084	\$350,778	\$350,778	\$3,251,153	\$425,000	\$90,000	\$104,304,752
PER UNIT BASIS												
Maximum contractual payments	\$56,000	\$33,132	\$19,200	\$11,500	\$46,800	\$85,000	\$120,000	\$111,700	\$26,800	\$4,500	\$4,600	(1)
Estimated contractual payments	\$56,000	\$33,132	\$19,200	\$11,500	\$19,400	\$41,000	\$41,000	\$41,000	\$6,700	\$4,500	\$4,600	(1)

1 Not applicable.

2 These units are included in the units under Owned Public Housing and are not added again to the total number of units supported.

3 Does not include operating subsidies for owned public housing which are funded out of separate authority.

4 Includes adjustments to prior years leasing agreements.

Note: Per unit costs may not add to aggregate total due to rounding.

MAXIMUM AND ESTIMATED FEDERAL ASSISTANCE PAYMENTS COST FOR SUBSIDIZED HOUSING PROGRAMS  
FISCAL YEAR 1976

	Sec. 8		Public housing		Sec. 236	Total
	New and rehab	Existing	Owned	Modernization		
Cumulative program:						
Contract authority (thousands).....	\$978,000	\$211,000	\$15,000	\$20,000	\$56,100	\$1,290,100
Number of units supported.....	300,000	100,000	6,000	\$117,900	32,300	438,500
Maximum years contract authority is paid.....	20	15	40	21	37	NA
Estimated years subsidy is paid.....						NA
Maximum contractual payments (thousands).....	19,560,000	3,165,000	600,000	420,000	\$2,644,000	26,389,000
Estimated contractual payments (thousands).....	19,560,000	3,165,000	600,000	420,000	1,045,600	24,790,600
Per unit basis:						
Maximum contractual payments.....	65,200	31,650	100,000	3,600	44,300	NA
Estimated contractual payments.....	65,200	31,650	100,000	3,600	32,200	NA

1 Excludes authority for operating subsidies.  
 2 These units are included in the totals for owned public housing shown on table 1, and are not added to the total number of units supported shown in this table.  
 3 Includes authority for new units only. Contract authority for amending prior year reservations is excluded here, but included in the cumulative totals shown in table 4.  
 Note: Per unit costs may not add to aggregate costs because of rounding. NA equals not applicable.

W. L. ARMSTRONG.

COMPARATIVE STATEMENT OF THE NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES FOR FISCAL YEAR 1976  
PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—FEDERAL FUNDS

Becomes available automatically under earlier, or "permanent" law without further, or annual action by the Congress. Thus, these amounts are not included in the accompanying bill.]

Agency and item (1)	New budget (obligational) authority, 1975 (2)	Budget estimates of new budget (obligational) authority, 1976 (3)	Increase (+) or decrease (-) (4)
<b>Department of Housing and Urban Development:</b>			
Annual contributions for assisted housing (contract authority).....	\$338,944,000	\$34,000,000	-\$304,944,000
College housing—loans and other expenses (indefinite).....	405,000	402,000	-3,000
Federal Housing Administration fund (authority to spend public debt receipts, indefinite).....	875,000,000	800,000,000	-75,000,000
Government National Mortgage Association: Special assistance functions fund:			
Indefinite.....	3,533,000	3,482,000	-51,000
Authority to spend public debt receipts.....	3,000,000,000		-3,000,000,000
Revolving fund (liquidating programs, indefinite).....		964,000	+964,000
Interstate land sales (indefinite, special).....	925,000	900,000	-25,000
Public facility loans (indefinite).....	998,000		-998,000
<b>Environmental Protection Agency:</b>			
Abatement and control (contract authority).....	150,000,000		-150,000,000
<b>Department of the Treasury: Subsidy payment to Environmental Financing Authority (indefinite).....</b>	<b>75,000</b>		<b>-75,000</b>
<b>Total, permanent new budget (obligational) authority, Federal funds).....</b>	<b>4,369,880,000</b>	<b>839,748,000</b>	<b>-3,530,132,000</b>

**PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—TRUST FUNDS**

Agency and item (1)	New budget (obligational) authority, 1975 (2)	Budget estimates of new budget (obligational) authority, 1976 (3)	Increase (+) or decrease (-) (4)
American Battle Monuments Commission: Contributions (indefinite).....	\$21, 000	\$51, 000	+\$30, 000
National Aeronautics and Space Administration: Miscellaneous trust funds (indefinite).....	1, 550, 000	525, 000	-1, 025, 000
National Science Foundation: Donations (indefinite) .....	2, 355, 000	1, 355, 000	-1, 000, 000
<b>Veterans Administration:</b>			
General post fund, national homes (indefinite).....	3, 950, 000	4, 100, 000	+150, 000
National service life insurance fund (indefinite).....	831, 581, 000	873, 660, 000	+42, 079, 000
U.S. Government life insurance fund (indefinite).....	38, 160, 000	38, 260, 000	+100, 000
<b>Total, permanent new budget (obligational) authority, trust funds.....</b>	<b>877, 617, 000</b>	<b>917, 951, 000</b>	<b>+40, 334, 000</b>

Note: Amounts as estimated and shown in the February 1975 budget document. Some items are indefinite in amount, and thus are subject to later reestimation.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD**

Agency and item (1)	New budget (obligational) authority, fiscal year 1975 (including pending supplementals) (2)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period <sup>1</sup> (3)	New budget (obligational) authority recommended in bill (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975 (5)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period (6)
<b>TITLE I</b>					
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					
<b>HOUSING PROGRAMS</b>					
Annual contributions for assisted housing (contract authority).....		\$26, 063, 000, 000	\$26, 063, 000, 000	+\$26, 063, 000, 000	
Increased limitation for annual contract authority.....		(662, 300, 000)	(662, 300, 000)	(+662, 300, 000)	
Rent supplement program (contract authority).....			800, 000, 000	+800, 000, 000	+\$800, 000, 000
Increased limitation for annual contract authority.....			(20, 000, 000)	(+20, 000, 000)	(+20, 000, 000)
Housing for the elderly or handicapped (limitation on loans).....	<sup>2</sup> (\$215, 000, 000)	(\$215, 000, 000)	(300, 000, 000)	(+85, 000, 000)	(+85, 000, 000)

See footnotes at end of table.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued**

Agency and Item  (1)	New budget (obligational) authority, fiscal year 1975 (including pending supplementals)  (2)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period <sup>1</sup>  (3)	New budget (obligational) authority recommended in bill  (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975  (5)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period  (6)
<b>TITLE I—Continued</b>					
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Con.</b>					
<b>HOUSING PROGRAMS—Continued</b>					
Housing payments.....	\$2, 300, 000, 000			-\$2, 300, 000, 000	
<i>Appropriation to liquidate contract authority.....</i>		(\$2, 245, 000, 000)	(\$2, 245, 000, 000)	(+2, 245, 000, 000)	
<i>Transition period.....</i>		(600, 000, 000)	(600, 000, 000)		
Payments for operation of low-income housing projects (contract authority).....		525, 000, 000	525, 000, 000	+525, 000, 000	
<i>Transition period.....</i>		80, 000, 000	80, 000, 000		
<i>Appropriation to liquidate contract authority.....</i>		(525, 000, 000)	(525, 000, 000)	(+525, 000, 000)	
<i>Transition period.....</i>		(80, 000, 000)	(80, 000, 000)		

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Salaries and expenses, Housing programs.....			195, 116, 000	+195, 116, 000	+\$195, 116, 000
<i>Transition period.....</i>			49, 800, 000		+49, 800, 000
Salaries and expenses, Housing production and mortgage credit programs.....	13, 673, 000	14, 100, 000		-13, 673, 000	-14, 100, 000
<i>Transition period.....</i>		4, 265, 000			-4, 265, 000
Salaries and expenses, Housing management programs.....	24, 097, 000	28, 400, 000		-24, 097, 000	-28, 400, 000
<i>Transition period.....</i>		7, 225, 000			-7, 225, 000
<b>GOVERNMENT NATIONAL MORTGAGE ASSOCIATION</b>					
Payment of participation sales insufficiencies.....	22, 883, 000	20, 935, 000	20, 935, 000	-1, 948, 000	
<i>Transition period.....</i>		5, 291, 000	5, 291, 000		
Total, Housing Programs.....	2, 360, 653, 000	26, 651, 435, 000	27, 604, 051, 000	+25, 243, 398, 000	+952, 616, 000
<i>Transition period.....</i>		96, 781, 000	135, 091, 000		38, 310, 000
<b>COMMUNITY PLANNING AND DEVELOPMENT</b>					
Community development grants.....	50, 000, 000	50, 000, 000	90, 000, 000	+40, 000, 000	+40, 000, 000
Contract authority.....	2, 179, 625, 000	2, 700, 000, 000	1, 736, 000, 000	-443, 625, 000	-964, 000, 000
Transfer of unexpended balance from the College housing loan fund (borrowing authority).....			(964, 000, 000)	(+964, 000, 000)	(+964, 000, 000)
<i>Appropriation to liquidate contract authority.....</i>	(2, 179, 625, 000)	(2, 700, 000, 000)	(2, 700, 000, 000)	(+520, 375, 000)	

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See footnote at end of table.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued**

(1) Agency and item	(2) New budget (obligational) authority, fiscal year 1975 (including pending supplementals)	(3) Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period <sup>1</sup>	(4) New budget (obligational) authority recommended in bill	Bill compared with—	
				(5) New budget (obligational) authority, fiscal year 1975	(6) Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period
<b>TITLE I—Continued</b>					
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Con.</b>					
<b>COMMUNITY PLANNING AND DEVELOPMENT—Continued</b>					
Comprehensive planning grants.....	\$100,000,000	\$50,000,000	\$50,000,000	-\$50,000,000	-----
Urban renewal programs (contract authority).....	197,000,000	-----	-----	-197,000,000	-----
<i>Appropriation to liquidate contract authority</i> .....	(197,000,000)	-----	-----	(-197,000,000)	-----
Model cities programs.....	123,375,000	-----	-----	-123,375,000	-----
Salaries and expenses, Community planning and development programs.....	40,219,000	42,640,000	41,740,000	+1,521,000	-900,000
Transition period.....	-----	10,500,000	10,500,000	-----	-----

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Total, Community Planning and Development.....	2,690,219,000	2,842,640,000	1,917,740,000	-772,479,000	-924,900,000
Transition period.....	-----	10,500,000	10,500,000	-----	-----
<b>FEDERAL INSURANCE ADMINISTRATION</b>					
Flood insurance.....	50,000,000	75,000,000	75,000,000	+25,000,000	-----
Transition period.....	-----	18,750,000	18,750,000	-----	-----
<b>OFFICE OF INTERSTATE LAND SALES REGISTRATION</b>					
Interstate land sales.....	-----	2,726,000	2,726,000	+2,726,000	-----
Transition period.....	-----	645,000	645,000	-----	-----
<b>POLICY DEVELOPMENT AND RESEARCH</b>					
Research and technology.....	65,000,000	57,000,000	53,000,000	-12,000,000	-4,000,000
Transition period.....	-----	16,250,000	15,500,000	-----	-750,000
Salaries and expenses, Policy development and research.....	6,320,000	7,210,000	6,765,000	+445,000	-445,000
Transition period.....	-----	1,845,000	1,700,000	-----	-145,000
Total, Policy Development and Research.....	71,320,000	64,210,000	59,765,000	-11,555,000	-4,445,000
Transition period.....	-----	18,095,000	17,200,000	-----	-895,000

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See footnote at end of table.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued**

Agency and Item  (1)	New budget (obligational) authority, fiscal year 1975 (including pending supplementals)  (2)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period <sup>1</sup>  (3)	New budget (obligational) authority recommended in bill  (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975  (5)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period  (6)
<b>TITLE I—Continued</b>					
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Con.</b>					
<b>FAIR HOUSING AND EQUAL OPPORTUNITY</b>					
Fair housing and equal opportunity.....	\$11,887,000	\$12,735,000	\$12,735,000	+\$848,000	-----
Transition period.....	-----	3,265,000	3,265,000	-----	-----
<b>DEPARTMENTAL MANAGEMENT</b>					
General departmental management.....	5,547,000	5,905,000	5,905,000	+358,000	-----
Transition period.....	-----	1,510,000	1,510,000	-----	-----

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Salaries and expenses, Office of general counsel.....	3,548,000	3,765,000	4,964,000	+1,416,000	+\$1,199,000
Transition period.....	-----	965,000	1,287,000	-----	+322,000
Salaries and expenses, Office of inspector general.....	6,822,000	7,245,000	10,280,000	+3,458,000	+3,035,000
Transition period.....	-----	1,805,000	2,615,000	-----	+810,000
Administration and staff services.....	19,255,000	22,745,000	53,125,000	+33,870,000	+30,380,000
Transition period.....	-----	5,785,000	12,803,000	-----	+7,018,000
Regional management and services.....	29,234,000	28,795,000	36,032,000	+6,798,000	+7,237,000
Transition period.....	-----	7,270,000	9,077,000	-----	+1,807,000
Total, Departmental Management.....	64,406,000	68,455,000	110,306,000	+45,900,000	+41,851,000
Transition period.....	-----	17,335,000	27,292,000	-----	+9,957,000
Total, Department of Housing and Urban Development.....	5,248,485,000	29,717,201,000	29,782,323,000	+24,533,838,000	+65,122,000
Transition period.....	-----	165,371,000	212,743,000	-----	+47,372,000

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See footnote at end of table.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued**

Agency and item  (1)	New budget (obligational) authority, fiscal year 1975 (including pending supplementals)  (2)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period <sup>1</sup>  (3)	New budget (obligational) authority recommended in bill  (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975  (5)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period  (6)
<b>TITLE I—Continued</b>					
<b>FUNDS APPROPRIATED TO THE PRESIDENT</b>					
<b>FEDERAL DISASTER ASSISTANCE ADMINISTRATION</b>					
Disaster relief.....	\$200,000,000	\$150,000,000	\$150,000,000	—\$50,000,000	.....
Transition period.....	.....	37,500,000	37,500,000	.....	.....

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Total, Title I:					
New budget (obligational) authority	5,448,485,000	29,867,201,000	29,932,323,000	+24,483,838,000	+\$65,122,000
Transition period.....	.....	202,871,000	250,243,000	.....	+47,372,000
Appropriations.....	(3,071,860,000)	(579,201,000)	(808,323,000)	(—2,263,537,000)	+229,122,000
Transition period.....	.....	(122,871,000)	(170,243,000)	.....	(+47,372,000)
Contract authority.....	(2,376,625,000)	(29,288,000,000)	(29,124,000,000)	(+26,747,375,000)	(—164,000,000)
Transition period.....	.....	(80,000,000)	(80,000,000)	.....	.....
Appropriations to liquidate contract authority.....	(2,376,625,000)	(5,470,000,000)	(5,470,000,000)	(+3,093,375,000)	.....
Transition period.....	.....	(680,000,000)	(680,000,000)	.....	.....
Increased limitation for annual contract authority.....	.....	(682,300,000)	(682,300,000)	(+682,300,000)	+20,000,000

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See footnote at end of table.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued**

Agency and item  (1)	New budget (obligational) authority, fiscal year 1975 (including pending supplementals)  (2)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period <sup>1</sup>  (3)	New budget (obligational) authority recommended in bill  (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975  (5)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period  (6)
<b>TITLE II</b>					
<b>INDEPENDENT AGENCIES</b>					
<b>AMERICAN BATTLE MONUMENTS COMMISSION</b>					
Salaries and expenses.....	\$4, 779, 000	\$5, 012, 000	\$5, 012, 000	+ \$233, 000	-----
Transition period.....	-----	1, 450, 000	1, 450, 000	-----	-----
<b>CONSUMER PRODUCT SAFETY COMMISSION</b>					
Salaries and expenses.....	36, 954, 000	36, 595, 000	42, 790, 000	+ 5, 836, 000	+ \$6, 195, 000
Transition period.....	-----	9, 148, 000	10, 697, 000	-----	+ 1, 549, 000

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<b>DEPARTMENT OF DEFENSE—CIVIL CEMETERY EXPENSES, ARMY</b>					
Salaries and expenses.....	258, 000	5, 617, 000	5, 615, 000	+ 5, 357, 000	- 2, 000
Transition period.....	-----	966, 000	966, 000	-----	-----
<b>ENVIRONMENTAL PROTECTION AGENCY</b>					
Agency and regional management.....	57, 216, 000	65, 700, 000	65, 374, 000	+ 8, 158, 000	- 326, 000
Transition period.....	-----	17, 000, 000	16, 923, 000	-----	- 77, 000
Energy research and development.....	134, 000, 000	112, 000, 000	100, 000, 000	- 34, 000, 000	- 12, 000, 000
Transition period.....	-----	21, 000, 000	21, 000, 000	-----	-----
Research and development.....	<sup>a</sup> 170, 638, 000	163, 400, 000	170, 674, 000	+ 36, 000	+ 7, 274, 000
Transition period.....	-----	43, 000, 000	42, 923, 000	-----	- 77, 000
Abatement and control.....	283, 401, 000	339, 700, 000	370, 766, 000	+ 87, 365, 000	+ 31, 066, 000
Transition period.....	-----	77, 500, 000	92, 639, 000	-----	+ 15, 139, 000
<i>Appropriation to liquidate contract authority.....</i>	<i>(26, 000, 000)</i>	<i>(65, 000, 000)</i>	<i>(65, 000, 000)</i>	<i>(+ 39, 000, 000)</i>	-----
<i>Transition period.....</i>	-----	<i>(19, 000, 000)</i>	<i>(19, 000, 000)</i>	-----	-----
Enforcement.....	53, 340, 000	53, 900, 000	53, 606, 000	+ 266, 000	- 294, 000
Transition period.....	-----	14, 000, 000	13, 931, 000	-----	- 69, 000
Buildings and facilities.....	1, 400, 000	2, 100, 000	2, 100, 000	+ 700, 000	-----
Transition period.....	-----	500, 000	500, 000	-----	-----

See footnotes at end of table.

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**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued**

Agency and item  (1)	New budget (obligational) authority, fiscal year 1975 (including pending supplementals)  (2)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period <sup>1</sup>  (3)	New budget (obligational) authority recommended in bill  (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975  (5)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period  (6)
<b>TITLE II—Continued</b>					
<b>INDEPENDENT AGENCIES—Con.</b>					
<b>ENVIRONMENTAL PROTECTION AGENCY—Continued</b>					
Construction grants ( <i>appropriation to liquidate contract authority</i> )-----	(\$1,400,000,000)	(\$500,000,000)	(\$500,000,000)	(-\$900,000,000)	-----
<i>Transition period</i> -----		(600,000,000)	(600,000,000)		-----
Scientific activities overseas (special foreign currency program)-----		6,000,000	6,000,000	+6,000,000	-----
<i>Transition period</i> -----		1,000,000	1,000,000		-----
Total, Environmental Protection Agency-----	699,995,000	742,800,000	768,520,000	+68,525,000	+\$25,720,000
<i>Transition period</i> -----		174,000,000	188,916,000		+14,916,000

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<b>EXECUTIVE OFFICE OF THE PRESIDENT</b>					
Council on Environmental Quality and Office of Environmental Quality-----	2,500,000	2,750,000	2,736,000	+236,000	-14,000
<i>Transition period</i> -----		700,000	697,000		-3,000
<b>GENERAL SERVICES ADMINISTRATION</b>					
Consumer Information Center-----	996,000	1,056,000	1,054,000	+58,000	-2,000
<i>Transition period</i> -----		264,000	264,000		
<b>DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE</b>					
Office of Consumer Affairs-----	1,465,000	1,488,000	1,488,000	+23,000	
<i>Transition period</i> -----		385,000	372,000		-13,000
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>					
Research and development-----	2,331,015,000	2,678,380,000	2,628,980,000	+297,965,000	-49,400,000
<i>Transition period</i> -----		730,600,000	700,600,000		-30,000,000
Construction of facilities-----	140,155,000	84,620,000	82,130,000	-58,025,000	-2,490,000
<i>Transition period</i> -----		14,500,000	10,750,000		-3,750,000
Research and program management---	759,975,000	776,000,000	775,512,000	+15,537,000	-488,000
<i>Transition period</i> -----		213,800,000	213,678,000		-122,000
Total, National Aeronautics and Space Administration-----	3,231,145,000	3,539,000,000	3,486,622,000	+255,477,000	-52,378,000
<i>Transition period</i> -----		958,900,000	925,028,000		-33,872,000

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See footnote at end of table.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued**

Agency and item  (1)	New budget (obligational) authority, fiscal year 1975 (including pending supplementals)  (2)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period <sup>1</sup>  (3)	New budget (obligational) authority recommended in bill  (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975  (5)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period  (6)
<b>TITLE II—Continued</b>					
<b>INDEPENDENT AGENCIES—Con.</b>					
<b>NATIONAL COMMISSION ON WATER QUALITY</b>					
Salaries and expenses.....	\$6,800,000			-\$6,800,000	
<b>NATIONAL SCIENCE FOUNDATION</b>					
Salaries and expenses.....	471,570,000	\$751,400,000	\$707,100,000	-4,470,000	-\$44,300,000
Transition period.....		167,200,000	167,134,000		-66,000
Scientific activities (special foreign currency program).....	4,850,000	4,000,000	4,000,000	-850,000	
Transition period.....		500,000	500,000		
Total, National Science Foundation	716,420,000	755,400,000	711,100,000	-5,320,000	-44,300,000
Transition period.....		167,700,000	167,634,000		-66,000

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<b>SELECTIVE SERVICE SYSTEM</b>					
Salaries and expenses.....	45,000,000	47,887,000	40,000,000	-5,000,000	-7,887,000
Transition period.....		9,300,000	8,300,000		-1,000,000
<b>VETERANS ADMINISTRATION</b>					
Compensation and pensions.....	7,539,400,000	7,499,700,000	7,499,700,000	-39,700,000	
Transition period.....		1,885,400,000	1,885,400,000		
Readjustment benefits.....	4,550,738,000	4,214,475,000	4,214,475,000	-336,263,000	
Transition period.....		854,472,000	854,472,000		
Veterans insurance and indemnities.....	8,750,000	6,600,000	6,600,000	-2,150,000	
Transition period.....		2,450,000	2,450,000		
Medical care.....	3,317,520,000	3,667,866,000	3,666,711,000	+349,191,000	-1,155,000
Transition period.....		949,702,000	949,413,000		-289,000
Medical and prosthetic research.....	91,377,000	95,000,000	95,000,000	+3,623,000	
Transition period.....		24,714,000	24,714,000		
Assistance for health manpower training institutions.....	10,000,000	30,000,000	30,000,000	+20,000,000	
Transition period.....		8,332,000	8,332,000		
Medical administration and miscellaneous operating expenses.....	37,508,000	38,528,000	38,528,000	+1,020,000	
Transition period.....		10,230,000	10,230,000		

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See footnote at end of table.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued**

Agency and item  (1)	New budget (obligational) authority, fiscal year 1975 (including pending supplementals)  (2)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period <sup>1</sup>  (3)	New budget (obligational) authority recommended in bill  (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975  (5)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period  (6)
<b>TITLE II—Continued</b>					
<b>INDEPENDENT AGENCIES—Con.</b>					
<b>VETERANS ADMINISTRATION—Continued</b>					
General operating expenses.....	\$432, 028, 000	\$452, 957, 000	\$462, 300, 000	+ \$30, 272, 000	+ \$9, 343, 000
Transition period.....		112, 844, 000	112, 164, 000		- 680, 000
Construction, major projects.....	251, 127, 000	297, 464, 000	299, 924, 000	+ 48, 797, 000	+ 2, 460, 000
Transition period.....		15, 860, 000	15, 860, 000		
Construction, minor projects.....	51, 894, 000	106, 426, 000	106, 426, 000	+ 54, 532, 000	
Transition period.....		16, 490, 000	16, 490, 000		

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Grants for construction of State extended care facilities.....	9, 700, 000	10, 000, 000	10, 000, 000	+ 300, 000	
Grants to the Republic of the Philippines.....	2, 050, 000	2, 100, 000	2, 100, 000	+ 50, 000	
Transition period.....		525, 000	525, 000		
Payment of participation sales insufficiencies.....	1, 828, 000	3, 148, 000		- 1, 828, 000	- 3, 148, 000
Loan guaranty revolving fund ( <i>limitation on obligations</i> ).....	(500, 000, 000)	(550, 000, 000)	(550, 000, 000)	(+ 50, 000, 000)	
Transition period.....		(150, 000, 000)	(150, 000, 000)		
Vocational rehabilitation revolving fund.....	97, 000			- 97, 000	
Total, Veterans Administration.....	16, 304, 017, 000	16, 424, 264, 000	16, 431, 764, 000	+ 127, 747, 000	+ 7, 500, 000
Transition period.....		3, 881, 019, 000	3, 880, 050, 000		- 969, 000
<b>Total, Title II:</b>					
New budget (obligational) authority.....	21, 050, 329, 000	21, 561, 869, 000	21, 496, 701, 000	+ 446, 372, 000	- 65, 168, 000
Transition period.....		5, 203, 832, 000	5, 184, 374, 000		- 19, 458, 000
Appropriations to liquidate contract authority.....	(1, 426, 000, 000)	(565, 000, 000)	(565, 000, 000)	(- 861, 000, 000)	
Transition period.....		(619, 000, 000)	(619, 000, 000)		

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See footnote at end of table.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued**

Agency and item  (1)	New budget (obligational) authority, fiscal year 1975 (including pending supplementals)  (2)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period <sup>1</sup>  (3)	New budget (obligational) authority recommended in bill  (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975  (5)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period  (6)
<b>TITLE III</b>					
<b>CORPORATIONS</b>					
<i>Department of Housing and Urban Development:</i>					
<i>Government National Mortgage Association: Administrative expenses</i> -----	(8, 113, 000)	(1, 240, 000)	(\$1, 240, 000)	(-6, 873, 000)	-----
<i>Transition period</i> -----	-----	(350, 000)	(350, 000)	-----	-----
<i>Federal Housing Administration:</i>					
<i>Administrative expenses</i> -----	(\$14, 230, 000)	(\$16, 145, 000)	-----	(-\$14, 230, 000)	(-\$16, 145, 000)

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<i>Transition period</i> -----	-----	(3, 945, 000)	-----	-----	(-3, 945, 000)
<i>Nonadministrative expenses</i> -----	(190, 500, 000)	(193, 962, 000)	-----	(-190, 500, 000)	(-193, 962, 000)
<i>Transition period</i> -----	-----	(48, 280, 000)	-----	-----	(-48, 280, 000)
<i>Federal Home Loan Bank Board:</i>					
<i>Administrative expenses</i> -----	(10, 677, 000)	(14, 765, 000)	(14, 665, 000)	(+3, 988, 000)	(-100, 000)
<i>Transition period</i> -----	-----	(3, 680, 000)	(3, 650, 000)	-----	(-30, 000)
<i>Nonadministrative expenses</i> -----	(20, 936, 000)	(19, 643, 000)	(19, 585, 000)	(-1, 351, 000)	(-58, 000)
<i>Transition period</i> -----	-----	(4, 906, 000)	(4, 900, 000)	-----	(-6, 000)
<i>Federal Savings and Loan Insurance Corporation:</i>					
<i>Administrative expenses</i> -----	(772, 000)	(830, 000)	(820, 000)	(+48, 000)	(-10, 000)
<i>Transition period</i> -----	-----	(206, 000)	(203, 000)	-----	(-3, 000)
<i>Total, Title III, administrative and nonadministrative expenses</i> -----	(245, 228, 000)	(246, 585, 000)	(36, 310, 000)	(-208, 918, 000)	(-210, 275, 000)
<i>Transition period</i> -----	-----	(61, 367, 000)	(9, 103, 000)	-----	(-52, 264, 000)

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See footnote at end of table.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued**

Agency and item  (1)	New budget (obligational) authority, fiscal year 1975 (including pending supplementals)  (2)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period <sup>1</sup>  (3)	New budget (obligational) authority recommended in bill  (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975  (5)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period  (6)
<b>TITLE III—Continued</b>					
<b>CORPORATIONS—Continued</b>					
Grand total, Titles I, II, and III:					
New budget (obligational) authority	\$26, 498, 814, 000	\$51, 429, 070, 000	\$51, 429, 024, 000	+\$24, 930, 210, 000	-\$46, 000
Transition period		5, 406, 703, 000	5, 434, 617, 000		+27, 914, 000

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Appropriations	(24, 122, 189, 000)	(22, 141, 070, 000)	(22, 305, 024, 000)	(-1, 817, 165, 000)	(+163, 954, 000)
Transition period		(5, 326, 703, 000)	(5, 354, 617, 000)		(+27, 914, 000)
Contract authority	(2, 376, 625, 000)	(29, 288, 000, 000)	(29, 124, 000, 000)	(+26, 747, 375, 000)	(-164, 000, 000)
Transition period		(80, 000, 000)	(80, 000, 000)		
Appropriations to liquidate contract authority	(3, 802, 625, 000)	(6, 035, 000, 000)	(6, 035, 000, 000)	(+2, 232, 375, 000)	
Transition period		(1, 299, 000, 000)	(1, 299, 000, 000)		
Increased limitation for annual contract authority		(682, 300, 000)	(682, 300, 000)	(+682, 300, 000)	(+20, 000, 000)
Limitation on corporate funds to be expended	(245, 228, 000)	(246, 585, 000)	(36, 310, 000)	(-208, 918, 000)	(-210, 275, 000)
Transition period		(61, 367, 000)	(9, 103, 000)		(-52, 264, 000)

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<sup>1</sup> Public Law 93-344 changes the fiscal year to October 1 to September 30 beginning in fiscal year 1977 and establishes the transition period as July 1, 1976 to September 30, 1976.  
<sup>2</sup> Public Law 93-554 set the limitation on loans as the unobligated balance in the Housing for the Elderly or Handicapped fund at the end of December 1974 plus \$100,000,000. The unobligated balance was estimated to be \$115,000,000.

<sup>3</sup> Excludes \$5,030,000 transferred to Operating Expenses, Energy Research and Development Administration pursuant to Public Law 93-438.  
<sup>4</sup> Excludes \$51,730,000 transferred to Operating Expenses, Energy Research and Development Administration pursuant to Public Law 93-438.



[FULL COMMITTEE PRINT]

**NOTICE.**—This report is given out subject to release when consideration of the bill which it accompanies has been completed by the full Committee. Please check on such action before release in order to be advised of any changes.

94TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT  
 1st Session } { No. 94

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES APPROPRIATION BILL, 1976

JUNE 19, 1975.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. BOLAND, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H.R. —]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

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## SUMMARY OF THE BILL

The Committee recommends \$51,429,024,000 in new budget (obligational) authority for the Department of Housing and Urban Development and twelve independent agencies. This is \$46,000 below the budget request and \$24,930,210,000 above the amount appropriated in 1975. The bill also contains \$5,434,617,000 for the special transition period.

The large increase in new obligational authority above 1975 is directly attributable to a change in the method of scorekeeping budget authority for the assisted housing programs. Prior to fiscal year 1976, a commitment to enter into a 40-year housing subsidy contract was not counted as budget authority. Only when an appropriation was made to liquidate previous contract commitments was budget authority counted. This year the budget recognizes that the authority to enter into contracts is an authorization to make payments for as long as 40 years. Therefore, the \$682,300,000 of new annual contract authority provides a *maximum* of \$26,863,000,000 in new budget authority over a 40 year period.

On a comparable basis with 1975, after adjustments are made for annual contract authority and the direct appropriation of Federal Housing Administration corporate funds, the bill includes \$27,775,024,000 for 1976. This is \$46,153,000 below the budget request and is \$1,071,480,000 above the comparable amount provided in 1975.

It is interesting to note that witnesses appearing before the Committee representing a broad spectrum of interest groups appealed for more than one billion dollars above the budget request for the programs contained in the bill. This dramatically illustrates the budget priority dilemma and difficult decisions confronting the Committee and Congress when faced with a potential \$67 billion budget deficit and unmet needs in areas of critical concern to our Nation.

The following table summarizes the amounts recommended in the bill for fiscal year 1976 and the transition period.

SUMMARY OF ESTIMATES AND NEW BUDGET (OBLIGATIONAL) AUTHORITY IN BILL

Department or agency	Appropriations, 1975	Budget estimates, 1976, and transition period	Bill compared with—		
			Recommended in bill	Appropriations, 1975	Budget estimates, 1976, and transition period
(1)	(2)	(3)	(4)	(5)	(6)
American Battle Monuments Commission	\$4,779,000	\$5,012,000	\$5,012,000	+\$233,000	
Transition period		1,450,000	1,450,000		
Cemeterial Expenses, Army	258,000	5,617,000	5,615,000	+5,357,000	-\$2,000
Transition period		966,000	966,000		
Consumer Information Center	996,000	1,056,000	1,054,000	+58,000	-2,000
Transition period		264,000	264,000		
Consumer Product Safety Commission	36,954,000	36,565,000	42,790,000	+5,836,000	+6,195,000
Transition period		9,148,000	10,697,000		+1,549,000
Council on Environmental Quality	2,500,000	2,750,000	2,736,000	+236,000	-14,000
Transition period		700,000	697,000		-3,000
Department of Housing and Urban Development	5,248,485,000	29,717,201,000	29,782,323,000	+24,533,838,000	+65,122,000
Transition period		165,371,000	212,743,000		+47,372,000

## SUMMARY OF ESTIMATES AND NEW BUDGET (OBLIGATIONAL) AUTHORITY IN BILL—Continued

Department or agency	Appropriations, 1975	Budget estimates, 1976, and transition period	Recommended in bill	Bill compared with—	
				Appropriations, 1975	Budget estimates, 1976, and transition period
(1)	(2)	(3)	(4)	(5)	(6)
Disaster Relief	\$200,000,000	\$150,000,000	\$150,000,000	-\$50,000,000	
Transition period		37,500,000	37,500,000		
Environmental Protection Agency	699,995,000	742,800,000	768,520,000	+68,525,000	+\$25,720,000
Transition period		174,000,000	188,916,000		+14,916,000
Federal Home Loan Bank Board <sup>1</sup>	(32,385,000)	(35,238,000)	(35,070,000)	(+2,685,000)	(-168,000)
Transition period		(8,792,000)	(8,753,000)		(-39,000)
National Aeronautics and Space Administration	3,231,145,000	3,539,000,000	3,486,622,000	+255,477,000	-52,378,000
Transition period		958,900,000	925,028,000		-33,872,000
National Science Foundation	716,420,000	755,400,000	711,100,000	-5,320,000	-44,300,000
Transition period		167,700,000	167,634,000		-66,000
Office of Consumer Affairs	1,465,000	1,488,000	1,488,000	+23,000	
Transition period		385,000	372,000		-13,000
Selective Service System	45,000,000	47,887,000	40,000,000	-5,000,000	-7,887,000
Transition period		9,300,000	8,300,000		-1,000,000
Veterans Administration	16,304,017,000	16,424,264,000	16,431,764,000	+127,747,000	+7,500,000
Transition period		3,881,019,000	3,880,050,000		-969,000
Total, 1976	26,498,814,000	51,429,070,000	51,429,024,000	+24,930,210,000	-46,000
Transition period		5,406,703,000	5,434,617,000		+27,914,000

<sup>1</sup> Limitation on corporate funds to be expended. 5,404,432 (Rev)

## PERMANENT OBLIGATIONAL AUTHORITY—FEDERAL FUNDS AND TRUST FUNDS

Substantial sums of new budget (obligational) authority are made available by permanent legislation for the continuation of certain Government activities that are not subject to the annual appropriation process. Details of these activities for the agencies covered in this bill are reflected in appropriate tables appearing at the end of this report. The most significant are the public debt transactions of the Department of Housing and Urban Development in its mortgage financing and insurance activities, and the life insurance programs of the Veterans Administration. The Budget estimates that such permanent authorities will aggregate \$1,757,699,000 in fiscal year 1976.

## EFFECT OF COMMITTEE ACTION ON PROJECTED BUDGET EXPENDITURES (OUTLAYS) IN FISCAL YEAR 1976

The budget outlays (expenditures) for the Department of Housing and Urban Development and other agencies covered in the bill are estimated at \$30.2 billion in fiscal year 1976. The actions recommended by the Committee are estimated to decrease this total by some \$50 million.

## INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(1)(4), rule XI, of the House of Representatives, the Committee estimates that enactment of this bill would have minimal overall inflationary impact on prices and costs in the operation of the national economy.

## TITLE I

DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT

## HOUSING IN AMERICA

Last year the Committee's report expressed concern that the then eighteen month moratorium on subsidized housing programs was a serious drag on the entire industry. During the past twelve months the housing market has continued to deteriorate. With the new Section 8 program only just getting underway, the effective period of the moratorium is now almost thirty months. New housing starts, which were at an annual rate of 2,280,000 in 1973 have fallen to less than one million.

While the Committee recognizes that the housing industry is cyclical by its very nature, it should be obvious that without an active subsidized housing program the current home building depression can only be further exacerbated. The Section 8 program *may* be the catalyst that will move the housing industry off dead center. However, the Committee continues to have serious doubts about its capability to do so at a reasonable cost.

During the past year the Government Accounting Office prepared a report comparing the cost of the Section 236 and Section 8 programs. It concluded that the total costs were similar for both programs. But the report also made two important points. First, the GAO noted that Section 8 costs were *extremely* sensitive to fair market rents; and second, that up to two-thirds of all renters living in selected cities *could* be eligible for a Section 8 subsidy. The combination of these factors could cause a substantial increase in the cost of subsidized housing. With the *maximum* annual subsidy under Section 8 ranging from \$1,632 for a two bedroom *existing* unit in Jacksonville, to \$7,464 for a two bedroom *new* unit in New York, the Committee is concerned over the potential long range cost of this program. The Committee fully supports an active, well-managed assisted housing program, but the question remains—at what price per unit?

## HOUSING PROGRAMS

## ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

The Housing and Community Development Act of 1974 authorized a new program of assisted housing for low and moderate income families. The new program, known as Section 8, authorizes the Department to make payments to local public housing agencies. The local housing authority, in turn, enters into contracts to make housing assistance

payments to owners of existing housing, or owners who agree to rehabilitate units or propose new construction. The payments made to the local housing authority provide a subsidy equal to the difference between the fair market rents of standard housing units and the amount of rent paid by eligible families.

Last year the Committee expressed concern over the ultimate cost of this subsidy. The following table reflects the fair market rent for new and existing two bedroom units in selected communities of varying populations.

## FAIR MARKET RENTS

	Existing		New	
	Monthly	Annual	Monthly	Annual
New York, N.Y.	\$220	\$2,640	\$622	\$7,464
Boston, Mass.	220	2,640	428	5,136
Washington, D.C.	210	2,520	374	4,488
Philadelphia, Pa.	180	2,160		
Pittsburgh, Pa.	149	1,788	311	3,732
Jacksonville, Fla.	136	1,632	330	3,960
St. Petersburg, Fla.	147	1,764	316	3,792
Nashville, Tenn.	147	1,764	256	3,076
Indianapolis, Ind.	164	1,968	337	4,044
South Bend, Ind.	162	1,944	384	4,608
Chicago, Ill.	220	2,640	489	5,868
Saginaw, Mich.	164	1,968	375	4,500
Cleveland, Ohio.	162	1,944	309	3,708
Green Bay, Wis.	142	1,704	303	3,636
Dallas, Tex.	165	1,980	363	4,356
Kansas City, Kans.	166	1,992	304	3,648
Missoula, Mont.	131	1,572	248	2,976
Los Angeles, Calif.	187	2,244	410	4,920
Fresno, Calif.			301	3,612
Santa Cruz, Calif.	154	1,848		
Seattle, Wash.	187	2,244	350	4,200

The key factor affecting the level of Federal subsidy is the "fair market rent". These are established for comparability purposes and are based on rentals for housing units in the market area of various sizes and types. HUD is required to make an annual review of fair market rents, and is authorized to make adjustments in the rents due to increases in real property taxes, utility rates, or similar costs not adequately compensated for in the annual review.

The Committee has approved the budget request of \$662,300,000 of annual contract authority for assisted housing programs. The anticipated run-out cost of the release of this authority is approximately \$16,250,000,000. The release of the \$662,300,000, when taken together with the \$1 billion of carryover authority, will provide 400,000 units of assisted housing in 1976. It is currently estimated that about 300,000 of these units will be new or substantially rehabilitated and 100,000 will be existing units.

Although the \$662,300,000 was the original budget request, a number of offsetting factors have influenced the 1976 requirements. The carryover balance of unused contract authority from fiscal year 1975 has increased from \$580,700,000 to \$1,002,127,000. This increase is caused by the decline in anticipated Section 8 units coming under contract in 1975—down from 200,000 to a current estimate of 40,000. However, offsetting this larger carryover are additional costs now known that were *not* included in the 1976 budget. Principle among these is the increase in fair market rents that HUD announced on March 31. That increase raised the average annual subsidy under Section 8 from \$3,260 to \$3,900 for a new unit and from \$2,110 to \$2,520 for an existing unit. More importantly, the increase also raised the

annual contract authority requirement for the projected 400,000 units by almost \$250,000,000.

The Committee has become increasingly concerned over the uncontrollable nature of increases in fair market rents. In response to this concern, a limitation has been placed on any additional increase in the fair market rent *exceeding* ten percent. This action is not designed to cripple the Section 8 program. Rather, it is an effort to provide a vehicle for justifying before the Committee any fair market rent increases above ten percent. Such a vehicle is vital to preserve some form of budget control. Without the limitation, it is quite possible that HUD may produce only 100,000 units instead of the 400,000 projected and use the excess contract authority for a thirty or forty percent increase in the fair market rents. This would, of course, distort the basis of the budget request and would leave the Congress with little or no effective control over this program.

Finally, this limitation in no way affects the ability of the Secretary to approve a contract in excess of published fair market rents. The language does limit the fair market rent basis for all contracts but does not eliminate the Secretary's necessary flexibility in specific situations.

#### RENT SUPPLEMENT PROGRAM

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation.....	-----	-----
Estimate, 1976.....	-----	-----
Recommended in bill.....	<sup>1</sup> \$20,000,000	-----
Increase above estimate.....	+20,000,000	-----

<sup>1</sup> Annual contract authority. Total budget authority created over the 40-year period of the contract is \$800,000,000.

Section 101 of the Housing Act of 1965 authorized annual payments to housing owners on behalf of low income tenants for a period of up to 40 years. The maximum amount of the annual payment for any unit is the amount by which the fair market rent exceeds one fourth of the tenant's income. The statute provides for a biennial review and adjustment of rental changes to bring them into conformance with fair market rents existing in the area. The subsidy is open ended in that the Department is bound to amend contracts to the extent of legitimate rent increases based on prevailing fair market rents. The estimated annual adjustments required for units under contract is some \$15-18 million a year.

The Congress has released \$280,000,000 of the \$330,000,000 in contract authority authorized for the program. The 1976 budget reflected an estimated unused balance of \$17.9 million at the end of fiscal year 1976. However, there is currently no previously released contract authority available under the rent supplement program although the Department is under continuing obligation to increase unit payments as legitimate cost increases occur. As a stopgap measure, HUD is recapturing approximately \$15 million of rent supplement contract authority from Section 236 piggyback projects reserved but not yet under contract. To make up for the loss of rent supplement authority these Section 236 projects are being given a "deep subsidy" pursuant to Section 212 of the Housing and Community Development Act of 1974.

The Committee believes that the recapture of rent supplement contract authority from committed Section 236 projects is not a viable

solution. Therefore, \$20,000,000 of annual rent supplement contract authority has been approved in the bill. The availability of these funds should avoid cancelling valid reservations already committed under Section 236 projects. However, the Committee wants to make clear that the release of these rent supplement funds is *only* available for meeting legitimate cost increases occurring from inflationary pressures. None of this contract authority is available for any new rent supplement units or a reimplementations of the program.

#### HOUSING FOR THE ELDERLY OR HANDICAPPED (LIMITATION ON LOAN FUND)

	<i>Fiscal year</i>
1975 limitation.....	\$215,000,000
Estimate, 1976.....	215,000,000
Recommended in bill.....	300,000,000
Increase above estimate.....	+85,000,000

The Section 202 Housing for the Elderly or Handicapped program, as amended by Section 210 of the Housing and Community Development Act of 1974, provides a borrowing authorization from the Treasury of \$800,000,000. This is in addition to the availability of loan repayments and other income occurring to the Housing for the Elderly or Handicapped Fund. The Act provides that the total amount of loans authorized for any one fiscal year shall not exceed the limits on such lending authority established in appropriation acts.

The Committee has recommended a \$300,000,000 loan limitation for 1976 and the transition period. This is an increase of \$85,000,000 above the budget estimate. The Committee understands that the Section 202 program, when used in conjunction with the Section 8 program, has potential for reducing costs of elderly housing projects built under the combined programs. The cost of construction financing under current interest rates would be substantially more expensive than the Treasury rate available under the Section 202 program. Therefore, it is expected that by having these programs work in tandem more elderly housing can be created at a reduced total cost to the Federal government.

#### HOUSING PAYMENTS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation.....	<sup>1</sup> \$2,300,000,000	-----
Estimate, 1976.....	2,245,000,000	\$600,000,000
Recommended in bill.....	2,245,000,000	600,000,000

<sup>1</sup> Includes \$450,000,000 applicable to operating subsidies which is carried under a separate account in 1976.

The Committee recommends the budget request of \$2,245,000,000. This appropriation provides for payments required by contracts for subsidized housing programs. These include the new Section 8 low-income housing assistance program authorized by the Housing and Community Development Act of 1974, the rent supplement, homeownership assistance (sec. 235), rental housing assistance (sec. 236), low-rent public housing and college housing programs.

In fiscal year 1976, the budget proposes for the first time a separate appropriation for the payment of subsidies for the operation of units

owned by local housing authorities. Therefore, the increase on a comparable basis with fiscal year 1975 is \$395,000,000.

PAYMENT FOR OPERATION OF LOW-INCOME HOUSING PROJECTS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation.....	<sup>1</sup> \$450,000,000	-----
Estimate, 1976.....	525,000,000	\$80,000,000
Recommended in bill.....	525,000,000	80,000,000

<sup>1</sup> Included in the appropriation for Housing Payments in fiscal year 1975.

The Committee recommends \$525,000,000 for the payment of operating subsidies, which is an increase of \$75,000,000 above the level provided in 1975.

In the past contract authority for operating subsidies was made available without action in appropriation acts. Amounts used for this purpose were dependent upon total contract authority enacted in substantive legislation. Appropriations to make the required payments were included within the housing payments account. Beginning in fiscal year 1976, the budget proposes to make the use of contract authority subject to release in the appropriation act and so provide a new appropriation separate from housing payments.

The \$525,000,000 recommended provides for the full year operation of the Performance Funding System. This system will be used to calculate operating subsidies provided to each local housing authority to operate its owned units based on a rate comparable to what it costs a high performing LHA to operate its owned units. In theory, each LHA will receive no more operating subsidy than would be required to manage effectively a high performing LHA of comparable size, location and characteristics.

HUD admits that the formula cannot predict perfectly the actual expenses of each individual high performing LHA. Therefore, transition funding will be provided to those LHA's with expense levels above the top of their range. This "hold harmless" transition funding should gradually bring these LHA's within their range in subsequent years.

The amount funded also includes \$35,000,000 for the final phase of the Target Projects Program. Cumulatively, a total of \$105,000,000 will be used to provide additional financial assistance to 37 LHA's with 69 projects that are experiencing serious operating problems. These include a high incidence of crime, vandalism and seriously deficient janitorial and other operating services. The goal of the Target Projects Program is to concentrate increased operating subsidy and modernization resources to help solve these problems and upgrade the targeted projects.

SALARIES AND EXPENSES, HOUSING PROGRAMS

The Committee recommends combining the Housing Production and Mortgage Credit and Housing Management salaries and expenses appropriation accounts in fiscal year 1976. In addition, the funds previously carried under the FHA Administrative and Non-administrative fund limitations are appropriated directly to the new combined account. The total amount provided for this activity is \$195,116,000 in 1976 and \$49,800,000 in the transition period.

In combining these various fund sources, the Committee is attempting to simplify the complex appropriation account structure of the Department. Appropriations of administrative expenses have been provided in all cases where organizations or activities had been funded both by direct appropriations as well as by transfer from the limitations on administrative and non-administrative expenses of the FHA fund. For many years activities related to FHA fund programs have been performed in different parts of the Department. Some Housing Management activities, of course, are directly related to FHA fund programs. In addition, FHA programs are serviced by a centralized General Counsel, an Inspector General, and a central accounting organization. The Department has attempted to maintain a proper charge to the FHA fund for all these activities. The result, however, has been a complexity of accounts and charges which causes confusion and hides the true operating costs of HUD. To remedy this, the Committee has made direct appropriations for all HUD activities. This will enable the Congress and the public to see clearly the full cost of HUD's operations. To maintain the accounting system and charges required for corporate budgeting, however, the Committee expects HUD to establish a system to reimburse the Treasury out of FHA funds an amount equal to the expenses actually chargeable to FHA fund activities during a year.

The amount recommended includes a three percent reduction from the total requested under all accounts. This reduction should be achieved from increased efficiency and flexibility gained by combining the Housing Production and Mortgage Credit and Housing Management accounts.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

PAYMENT OF PARTICIPATION SALES INSUFFICIENCIES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation.....	\$22,883,000	-----
Estimate, 1976.....	20,935,000	\$5,291,000
Recommended in bill.....	20,935,000	5,291,000

The full budget request of \$20,935,000 is recommended to cover insufficiencies that arise from participation sales in home mortgages authorized in 1968. The appropriation covers the excess of interest payments received from mortgages pooled by the Government and represents a contractual obligation made when the sales were consummated.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT GRANTS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation.....	\$2,550,000,000	-----
Estimate, 1976.....	2,750,000,000	-----
Recommended in bill.....	2,790,000,000	-----
Increase above estimate.....	+40,000,000	-----

Title I of the Housing and Community Development Act of 1974 authorizes the Secretary to make grants to units of general local

government and States for the funding of local community development programs. The Community Development Grant program replaces seven categorical grant and loan programs including Urban Renewal, Model Cities, Grants for Neighborhood Facilities, Open Space Land, Grants for Basic Water and Sewer Facilities, Rehabilitation Loans, and Public Facility Loans.

The new program provides for the distribution of funds to eligible recipients for community development purposes utilizing a formula based on population, housing overcrowding, and poverty.

The Committee recommends \$2,790,000,000 for Community Development Grants in 1976. This includes \$2,700,000,000 for the basic formula entitlement programs; an additional \$40,000,000 appropriated *directly* to the Standard Metropolitan Statistical Area balance; and \$50,000,000 for the Secretary's Urgent Needs fund. When the \$2.7 billion is distributed under the formula, the following table reflects the estimated allocation by recipient category.

Recipient category	Amount (in thousands)
Metropolitan areas-----	2, 127, 600
Metro cities:	
Formula-----	1, 064, 266
Hold harmless-----	657, 002
Hold harmless to other SMSA communities-----	226, 343
Urban counties-----	143, 523
SMSA balance-----	36, 466
Nonmetropolitan areas-----	519, 400
Hold harmless to small communities-----	265, 397
Non-SMSA balance-----	254, 003
Secretary's fund-----	53, 000
Urgent needs fund-----	50, 000
Additional amount for SMSA balance-----	40, 000
Total-----	2, 790, 000

As the table indicates, after the formula is applied, a maximum of only \$36,466,000 is available for small towns and cities within SMSAs. It was originally anticipated that thousands of small communities falling within this category would receive substantially more funds than is currently estimated in 1976. However, under the new housing act, urban counties are now eligible for assistance—and they stand in line ahead of the smaller communities. Instead of the half-dozen urban counties that were expected to apply for these funds, more than 75 have already qualified. This fact has caused a significant draining of funds available for the smaller communities. To help provide some relief in this area, the Committee is recommending an additional \$40,000,000 above the budget for the SMSA balance only. This should provide a total of \$76,466,000 for this activity, but if HUD's estimate is overstated, it will insure that a minimum of \$40,000,000 will be available to small towns and cities within SMSAs.

The Committee believes this is the least expensive, most direct and effective way to achieve some equitability among community development recipient categories.

## TRANSFER OF UNEXPENDED BALANCE

Title IV of the Housing Act of 1950, as amended, authorized direct loans at three percent interest to colleges and eligible hospitals for the construction or acquisition of housing and related facilities such as student centers, dining halls and infirmaries. The HUD Act of 1968 provided an alternate source of assistance by authorizing debt service grants to reduce the cost to colleges and hospitals of borrowing on the private market.

The primary form of assistance since 1968 has been the debt service program. The direct loan account has been used only on a contingency basis. In those cases where an institution was unable to obtain funds in the private market at a reasonable rate, the Department provided a direct Federal loan. Funds for the direct loan program have come primarily through the use of Treasury borrowing authority and from the sale of participation certificates backed by pools of college housing loans held by the Federal Government.

Repayments of principle on outstanding loans are estimated at \$70,000,000 in fiscal year 1975 and \$73,700,000 in fiscal year 1976. The estimated unreserved balance is \$231,303,000 in 1976. In addition, there is \$964,000,000 of available budget authority in the form of undrawn Treasury borrowing.

Under the Congressional Budget and Impoundment Control Act, Congress is charged with analyzing the relative value of various programs and allocating resources in accord with the highest priority. Pursuant to this responsibility, the Committee is recommending language that provides for a transfer of \$964,000,000 of available college housing budget authority to the Community Development Block Grant program. This action will reduce this inactive unexpended balance and transfer the authority to a program of higher priority. In other actions, the Committee is providing new contract authority for rent supplement payments to meet inflationary requirements under existing contracts. The transfer of this budget authority will offset the new obligational authority created with the release of the rent supplement contract authority. In applying this transfer of unexpended budget authority to pay obligations for Community Development Grants, there is no future need for HUD to borrow and pay interest.

## COLLEGE HOUSING

Although recent studies have shown that there is no current need for a national college housing program, some institutions are experiencing shortages of dormitory and cafeteria space. In response to these selected needs, the Committee directs the Department to utilize repayments of principles on outstanding loans for the completion of unfinished college housing projects and for selected projects to help solve fuel and environmental problems. For example, these funds should be used for projects which have been started but have only partial permanent financing; projects that are phased programs with the first phase constructed or under construction, but which lack the financial ability to undertake a necessary second phase which is essential if the program

is to work efficiently; and the provision of capital funds for the rehabilitation, alteration, conversion, or improvement of heating-cooling systems so as to effect a substantial economy in the use of fuel and operating costs.

#### COMPREHENSIVE PLANNING GRANTS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$100,000,000	-----
Estimate, 1976-----	50,000,000	-----
Recommended in bill-----	50,000,000	-----

The bill includes the budget request of \$50,000,000 for Comprehensive Planning Grants. The Department is urged to concentrate their resources at the State and metropolitan and non-metropolitan regional planning commission levels. This should insure that these jurisdictions will receive approximately the same level of funding in 1976 as they did in 1975.

The Committee also believes that cities over 50,000 population should utilize to the maximum extent possible existing community development funds for their planning requirements. It is important to note that approximately four billion dollars will be made available to metropolitan areas under this program in 1975 and 1976. The Committee believes that it is not unreasonable to expect the cities receiving these funds to use a small part of these resources to meet their planning needs. HUD should encourage and clearly make this use of development funds possible under its regulations.

#### SALARIES AND EXPENSES, COMMUNITY PLANNING AND DEVELOPMENT

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$40,219,000	-----
Estimate, 1976-----	42,640,000	\$10,500,000
Recommended in bill-----	41,740,000	10,500,000
Decrease below estimate-----	-900,000	-----

The Committee recommends \$41,740,000 for administrative expenses of community planning and development programs, which is a reduction of \$900,000 below the budget request.

Both permanent positions and man-years are shown as declining in 1976. However, the request includes no corresponding reduction in personnel costs. Also, the budget projects no reduction in object class levels associated with personnel—such as travel, transportation, rent, supplies, etc. The Committee believes, therefore, that the decrease can be absorbed within this account.

#### FEDERAL INSURANCE ADMINISTRATION

##### FLOOD INSURANCE PROGRAM

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$50,000,000	-----
Estimate, 1975-----	75,000,000	\$18,750,000
Recommended in bill-----	75,000,000	18,750,000

The National Flood Insurance Act of 1968 authorizes a flood insurance program enabling property owners to buy insurance against losses resulting from physical damage to or loss of real or personal property

arising from floods occurring in the United States. The program is carried out in cooperation with private property insurance companies and through existing agents, brokers, and adjusting organizations. In 1973 the Act was amended to require that communities adopt and enforce flood plain management measures to reduce the probability and severity of damage. These measures must be adopted by July 1, 1975, or one year from the date a community is notified of its flood prone status, whichever is later. Approximately 10,500 communities must come into the program by July 1, and about 15,000 flood hazard boundary maps must be drawn and surveyed for these areas.

The Committee is recommending \$75,000,000 for this work in 1976, which is an increase of \$25,000,000 above the level provided in 1975. This includes \$69,870,000 for studies and surveys to determine the flood prone area as a basis for insurance and \$5,130,000 for administrative expenses. The budget estimate of \$18,750,000 is also recommended for the transition period.

While the Committee has approved the full budget request it has noted numerous severe problems regarding the administration of the flood insurance program. These problems have directly affected many communities, and have tended to reduce the credibility of the program. The Committee therefore urges the Secretary to continue to take strong steps to ease bureaucratic hurdles which may have created these problems.

#### OFFICE OF INTERSTATE LAND SALES REGISTRATION

##### INTERSTATE LAND SALES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	-----	-----
Estimate, 1976-----	\$2,726,000	\$645,000
Recommended in bill-----	2,726,000	645,000

The Interstate Land Sales Full Disclosure Act of 1968 protects the public against fraudulent and deceptive land sales operations. In general, developers offering 50 or more lots for sale or lease under a common promotional plan must register with the Office of Interstate Land Sales.

The Committee recommends the full budget estimate for 1976 and the transition period. Expenses of the Office of Interstate Land Sales have been financed from fees collected from developers reporting under the Act. As a result of fewer registration fees income is no longer sufficient to support the administrative expenses of OILSR. The \$2,726,000 recommended when combined with \$480,000 of fee income will provide a total obligation level of \$3,206,000 in fiscal year 1976.

#### POLICY DEVELOPMENT AND RESEARCH

##### RESEARCH AND TECHNOLOGY

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$65,000,000	-----
Estimate, 1976-----	57,000,000	\$16,250,000
Recommended in bill-----	53,000,000	15,500,000
Decrease below estimate-----	-4,000,000	-750,000

The Committee recommends an appropriation of \$53,000,000 which, when taken together with \$8,000,000 deferred from 1975, will provide a total Research and Technology program level of \$61,000,000 in 1976. The bill also contains \$15,500,000 for continuing the same level through the transition period.

Of the amount made available, \$400,000 has been earmarked for the Housing Assistance Council. The council is a non-profit corporation which was funded by the Office of Economic Opportunity in 1971 to assist agencies and organizations involved in sponsoring and developing low-income housing in rural areas and small cities by providing training and technical assistance. The grant also created a revolving loan fund to provide the resources necessary for selected activities in rural low-income housing projects.

The council was originally funded by a \$4 million Office of Economic Opportunity grant in June 1971 for the period beginning August 1, 1971 through July 31, 1973. The grant was composed of \$2 million for operating expenses and \$2 million for a revolving loan fund. An additional \$1 million was granted by OEO for the revolving fund in October 1972. In June 1973, OEO granted an additional \$1 million for operating expenses effective August 1973. Under the terms of the OEO grant, funds for operating expenses carry over from year to year until depleted while the capital amount of the loan fund is retained by HAC as long as it uses the funds for the purposes specified in the grant.

With careful management, the \$400,000 recommended should be sufficient to carry the council *through* 1976 and the transition period. Although HAC is performing a useful function in meeting the housing needs of rural America, the Committee believes that the council's mission is quasi-operational and should be funded from an appropriate program account beginning in fiscal year 1977.

#### SALARIES AND EXPENSES, POLICY DEVELOPMENT AND RESEARCH

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$6,320,000	
Estimate, 1976-----	7,210,000	\$1,845,000
Recommended in bill-----	6,765,000	1,700,000
Decrease below estimate-----	-445,000	-145,000

The bill includes \$6,765,000 in 1976 and \$1,700,000 in the transition period for administrative expenses under policy development and research activities. This is a decrease below the budget of \$445,000 and \$145,000 respectively.

The Committee notes that although the level of program dollars recommended in 1976 (\$61,000,000) is approximately the same as 1975, a 26 position increase in staff is requested. When a part of the reduction is applied to other objects, there should be sufficient funds available for a 5 to 10 position increase. These may be used in connection with solar heating and cooling demonstrations. Also, if the Department feels this activity has high priority, additional positions should be redirected from the base amount provided.

## FAIR HOUSING AND EQUAL OPPORTUNITY

### FAIR HOUSING AND EQUAL OPPORTUNITY

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$11,887,000	
Estimate, 1976-----	12,735,000	\$3,265,000
Recommended in bill-----	12,735,000	3,265,000

The Committee recommends the full budget estimate for the administration of fair housing and equal opportunity programs. The amount recommended should permit an expansion of activity and cover the additional positions and annualization of 1974 increased pay costs.

### DEPARTMENT MANAGEMENT

#### GENERAL DEPARTMENTAL MANAGEMENT

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$5,547,000	
Estimate, 1976-----	5,905,000	\$1,510,000
Recommended in bill-----	5,905,000	1,510,000

The bill provides the \$5,905,000 requested by the Secretary for the general staff offices reporting to her. The increase will provide for the costs of higher average employment and full year funding of the 1974 pay raise.

#### SALARIES AND EXPENSES, OFFICE OF GENERAL COUNSEL

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$5,207,000	
Estimate, 1976-----	5,515,000	\$1,430,000
Recommended in bill-----	4,964,000	1,287,000
Decrease below estimate-----	-551,000	-143,000

<sup>1</sup> Includes for comparability purposes those FHA funds carried under the administrative and nonadministrative limitation in 1975 and prior years.

The Committee recommends \$4,964,000 for the Office of General Counsel in fiscal year 1976. An additional \$1,287,000 is provided in the bill for the transition period. Included in these amounts are \$1,750,000 and \$465,000 respectively of FHA funds that are being appropriated directly to the Office of the General Counsel.

The recommended reduction is based on the Committee's Investigative Report which indicated that the Office of General Counsel has been a "bottleneck" in clearing required paperwork for the New Communities Administration.

Other reports have also suggested that the office may be responsible for unusually lengthy delays in the drafting of proposed regulations for selected programs. While the Committee expects the interests of the Government to be protected, it does not believe this office should become a major hurdle in the efficient implementation of the law.

## SALARIES AND EXPENSES, OFFICE OF INSPECTOR GENERAL

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	<sup>1</sup> \$9,233,000	-----
Estimate, 1976-----	<sup>1</sup> 10,280,000	\$2,615,000
Recommended in bill-----	10,280,000	2,615,000

<sup>1</sup> Includes for comparability purposes those FHA funds carried under the administrative and nonadministrative limitation in 1975 and prior years.

The bill provides \$10,280,000 for 1976 and \$2,615,000 for the transition period in support of the Office of Inspector General. Included within these amounts are \$3,035,000 and \$810,000 respectively of FHA funds that are being appropriated directly to the OIG. These funds were formerly carried under the limitation placed on FHA corporate funds. The increase above 1975 is required for the full year costs of additional personnel and the annualization of 1974 pay adjustments.

## ADMINISTRATION AND STAFF SERVICES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	<sup>1</sup> \$47,988,000	-----
Estimate, 1976-----	<sup>1</sup> 53,837,000	\$12,980,000
Recommended in bill-----	53,125,000	12,803,000
Decrease below estimate-----	-712,000	-177,000

<sup>1</sup> Includes for comparability purposes those FHA funds carried under the administrative and nonadministrative limitation in 1975 and prior years.

The Committee recommends \$53,125,000 for administration and staff services in 1976. The bill also provides \$12,803,000 for the transition period. These amounts include the direct appropriation of FHA funds formerly carried under the limitation placed on FHA corporate funds. The increase of \$5,137,000 will cover the full year costs of 1974 pay raises and a substantial increase in space rental costs. In accord with the general policy recommended in this bill, the Committee has made a ten percent reduction in the amount to be paid to GSA for such space costs.

## REGIONAL MANAGEMENT AND SERVICES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	<sup>1</sup> \$45,581,000	-----
Estimate, 1976-----	<sup>1</sup> 44,375,000	\$11,175,000
Recommended in bill-----	36,032,000	9,077,000
Decrease below estimate-----	-8,343,000	-2,098,000

<sup>1</sup> Includes for comparability purposes those FHA funds carried under the administrative and nonadministrative limitation in 1975 and prior years.

The Committee recommends \$36,032,000 for regional management and services. The bill also includes \$9,077,000 for the transition period. These amounts include the direct appropriation of FHA funds formerly carried under the limitation placed on FHA corporate funds.

The reduction of \$8,343,000 for 1976 and \$2,098,000 for the transition period is recommended in response to the suggestions and conclusions contained in the Investigative Report on HUD Regional and Area Offices. The report commented that some HUD officials felt that the regional offices were an unnecessary layer of bureaucracy in the Department and that too often the regional offices were exceeding their normal supervising and coordinating functions and making decisions that could best be left to the area or central office.

The Committee is sympathetic with these conclusions and urges the Department to take action to reduce the unnecessary and duplicative functions of the regional offices. However, while a decrease has been taken from this account, the Committee wishes to make clear that it does not expect all staffing reductions to be out of functions, such as administration, normally funded by this account. Instead, the Committee expects that reductions in regional office staffing will be applied in all areas of the regional office. By taking the total reduction in this account, the Committee does not wish to prejudice where in the regional office decreases might best be accomplished. The Secretary may use the flexibility of the administrative operations fund to spread this reduction over all programmatic areas of the regional offices—including staff directly attached to the regional administrator. In carrying out such a reduction, however, there is no desire to reduce operations which have been centralized in the regional office for purposes of efficiency or economy of operations. Rather, the Committee wishes to eliminate the excess of regional office supervision, evaluation and review of area and insuring offices.

## FUNDS APPROPRIATED TO THE PRESIDENT

## FEDERAL DISASTER ASSISTANCE ADMINISTRATION

## DISASTER RELIEF

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$200,000,000	-----
Estimate, 1976-----	150,000,000	\$37,500,000
Recommended in bill-----	150,000,000	37,500,000

The Committee has approved the full budget estimate of \$150,000,000 for the disaster assistance program. The bill also includes \$37,500,000 for the transition period.

The Federal Disaster Assistance Administration testified that disasters declared during fiscal years 1972-1974 have generated an average total requirement of \$190 million per year. The \$32,600,000 appropriated in the Second Supplemental for fiscal year 1974 along with the \$200,000,000 provided in 1975, when matched against currently estimated FY 1975 obligations, will result in a carryover of approximately \$40,000,000. The availability of these carryover funds correspondingly reduces the need for 1976 appropriations to meet the average yearly requirement. Because the level of fund requirement for natural disasters is difficult to predict, additional funds may be required for this activity.

## TITLE II

## INDEPENDENT AGENCIES

## AMERICAN BATTLE MONUMENTS COMMISSION

## SALARIES AND EXPENSES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$4,779,000	-----
Estimate, 1976-----	5,012,000	\$1,450,000
Recommended in bill-----	5,012,000	1,450,000

The Commission is responsible for the design, construction, and maintenance of all cemeteries and war memorials outside of the United States to commemorate the services of the American Armed Forces in hostilities occurring since 1917, and certain war memorials in the United States.

There are a total of 23 cemeteries with memorials maintained on foreign soil. Eleven additional monuments and memorials are maintained outside this country that are not part of cemeteries, and there are bronze tablets maintained at two other locations. The three large memorials maintained in the United States are the East Coast Memorial in the City of New York, the West Coast Memorial at the Presidio in San Francisco, and the Honolulu Memorial in the National Memorial Cemetery of the Pacific.

The Committee considers it of utmost importance that these memorials be maintained in a manner that is a credit to our Nation. The full budget estimates of \$5,012,000 and \$1,450,000 are recommended for 1976 and the transition period.

### CONSUMER PRODUCT SAFETY COMMISSION

#### SALARIES AND EXPENSES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation.....	\$36,954,000	-----
Estimate, 1976.....	36,596,000	\$9,148,000
Commission's request.....	50,386,000	12,596,000
Recommended in bill.....	42,790,000	10,697,000
Increase above estimate.....	+8,195,000	+1,549,000

The Consumer Product Safety Commission is an independent regulatory agency established for the purpose of reducing the unreasonable risk of injury associated with consumer products.

The administration of four Acts previously handled by three other Federal agencies was transferred to the new Commission. Those Acts are: The Federal Hazardous Substances Act as amended to include child protection and toy safety provisions, the Poison Prevention Packaging Act, the Flammable Fabrics Act, and the Federal Refrigerator Safety Act.

The primary responsibilities and overall goals of the Consumer Product Safety Commission set forth by the Consumer Product Safety Act are:

- (1) to protect the public against unreasonable risks of injury associated with consumer products;
- (2) to assist consumers in evaluating the comparative safety of consumer products;
- (3) to develop uniform safety standards for consumer products and to minimize conflicting State and local regulations; and
- (4) to promote research and investigation into the causes and prevention of product-related deaths, illnesses, and injuries.

The Committee recommends \$42,790,000 for the activities of the Consumer Product Safety Commission in 1976. This is an increase of \$6,195,000 above the President's budget estimate and is \$7,596,000 below the Commission's request. The bill also contains \$10,697,000 for the transition period. This is \$1,549,000 above the budget estimate and is \$1,899,000 below the Commission's request. The funds provided in-

clude a ten percent reduction in the amount charged by GSA for space rental costs.

The Committee recognizes the important mission of the Commission. There are well over 10,000 consumer products subject to CPSC's jurisdiction, and more than 1.2 million manufacturing, distributing, retailings and importing firms which fall within their area of responsibility. Clearly, with this broad scope of duties, a new organization will encounter difficulties in implementing the legislation. Care must be taken not to promulgate regulations and standards which are unworkable or which could cause serious disruption of a specific industrial sector of the economy. This requires a careful balance between protecting the consumer and protecting the larger interests of the nation.

While the Committee is sympathetic with the problems facing the Commission, it also believes that the CPSC must recognize that the funds provided should be used to accomplish specific goals in an effective and efficient manner. The Committee's investigative study raised a number of troubling issues. Some of these shortcomings can be attributed to the normal growing pains of a new organization. However, in the final analysis, the CPSC's success or failure must be measured in terms of its accomplishments—not its efforts or good intentions. The Committee hopes that the investigative study will help achieve those goals and improve the Commission's operations.

Within the total recommended, the following comments and limitations apply:

(1) The increase of \$6,195,000 shall be applied in the same proportion among object classes as the proposed increase in the Commission's budget. This will provide for approximately 135 of the 229 additional permanent positions requested.

(2) During fiscal year 1976, a serious effort should be made to reduce the level of temporary employees. The current level of 225 far exceeds the level of temporary positions normally carried in an agency of the Commission's size.

(3) The funds requested for the acquisition of the Commission's computer are specifically denied.

The Commission has developed several computer software (collections of computer programs) systems to assist in product and injury surveillance activities. Among these systems are the National Emergency Injury Surveillance System, In-Depth Investigations, Consumer Complaints, and Sample Collection Data.

Data are stored by these systems in a computer and information reports are acquired by assessing the computer both in "batch" mode and in the "on-line" mode. The batch mode operation is conducted at the main computer site, while in the on-line mode data can be stored or information reports produced through computer terminals connected to the main computer via telephone lines. These terminals are located throughout the United States at CPSC area offices, at hospital emergency rooms, and at Washington headquarters.

Until early in 1975, the Commission had been using an IBM 370/155 computer operated by the Food and Drug Administration. In March, however, the Commission and FDA switched to IBM 370/158 facilities located at the Parklawn Computer Center

in Rockville, Maryland. This Center contains substantially more computing capability than the former FDA operation. There are three IBM 370/158's at Parklawn; two with 3 million bytes of computer memory and one with 4 million bytes. While this new operation is still undergoing the inevitable shakedown period attendant to opening an expanded facility, the level of service and "up time" history are reported to be better than average. CPSC currently shares the Parklawn facility with customers from Public Health Service agencies, the Environmental Protection Agency, and a small amount of processing for the Social Security Administration.

The Commission's request to acquire their own computer is not allowed because the Parklawn Center now provides sufficient capability with planned growth increments that should satisfy the Commission's needs for several years. For example, to accommodate the growth projects by the Commission in the Customer Information Control System (CICS) workload, the Center has just recently added a one million byte section of main memory to one of the 370/158's for the *exclusive* use of the Commission. For all practical purposes, having exclusive use of this one million byte memory partition provides similar operating characteristics as would result from an agency-owned computer without the burden of duplicative overhead necessary to operate an agency computer.

Beyond the workload that will be performed on the "exclusive use" one million byte partition, the balance of the Commission's workload appears marginal and does not support the need for a dedicated 370/158 size computer. In April the Commission generated about 3,000 of the 38,000 batch jobs processed at Parklawn, and about 1,200 of the 16,000 teleprocessing (on-line) jobs. This represents about 8 percent of the Center's normal, non-dedicated workload. Since three computers service this workload, a highly oversimplified equivalence would yield only about 24 percent of the 370/158 (assuming the Center is operating at capacity which is not the case). Moreover, the Center plans a significant equipment upgrade that may provide up to a 100 percent capacity increase, or more. While these upgrade plans are still tentative, this is an indication that service at the Parklawn Center has high priority and that the Commission will continue to benefit accordingly.

The Commission currently reimburses the Parklawn Center for computer time used. Billings are averaging about \$130,000 per month, or close to \$1.6 million annually. They are estimated to reach \$2.0 million in fiscal year 1976. Annual recurring charges for a 2-million byte, 370/158 size teleprocessing installation would approximate \$2.5-\$3.0 million, including several additional staff positions and other overhead items. An agency-operated system of that size would yield much less computing capacity than is now currently available at Parklawn. *It appears, therefore, that the Commission would probably pay more for less capacity.*

(4) The Committee has been informed that the proper authorizing committees of both the House and the Senate have adopted legislative provisions which would remove from the Consumer

Product Safety Commission any authority to regulate the manufacture or sale of handgun ammunition. Passage of these proposals into law may be expected in the near future. The Committee wishes to express the opinion that this action is both appropriate and necessary. During the past year many of the available resources of the CPSC have been devoted to the proposed ban on the sale of handgun ammunition. This has caused the Commission to give less attention to other problems which are within its jurisdiction. The legislation now moving through the Congress will continue authority to regulate weapons and ammunition in the Congress.

(5) Finally, the Committee recognizes the unique character of Section 27(k) of the Consumer Product Safety Act. This provision has been interpreted as freeing the Commission to disagree publicly with the President's budget submission to the Congress and to defend its own estimate. This interpretation could leave the Committee without the benefit of the independent evaluation and review of the Office of Management and Budget. The Committee believes such evaluation should be made and that OMB should transmit its recommendations to the Committee.

#### DEPARTMENT OF DEFENSE—CIVIL

#### CEMETERIAL EXPENSES, ARMY

#### SALARIES AND EXPENSES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$258, 000	-----
Estimate, 1976-----	5, 617, 000	\$966, 000
Recommended in bill-----	5, 615, 000	966, 000
Decrease below estimate-----	-2, 000	-----

The Committee recommends \$5,615,000 for the U.S. Army Memorial Affairs Directorate in fiscal year 1976 and the budget estimate of \$966,000 for the transition period. These funds provide for the operation and maintenance of the cemetery at the Soldiers' and Airmen's Home and Arlington National Cemetery.

The large increase in the appropriation request is attributable to utilization in fiscal year 1975 of \$4,553,000 in unobligated balances carried forward from fiscal year 1974. The obligations in 1976 are estimated at \$5,615,000, an increase of \$804,000 above the 1975 level of \$4,811,000. The decrease of \$2,000 in fiscal year 1976 represents a 10 percent reduction in the payment to the General Services Administration for space rental charges.

#### ENVIRONMENTAL PROTECTION AGENCY

The Environmental Protection Agency was established on December 2, 1970, through an executive reorganization plan. This plan (Reorganization Plan No. 3 of 1970) was designed to consolidate certain Federal environmental activities into a single agency.

Program functions in water quality were transferred from the Federal Water Quality Administration of the Department of Interior

and water supply from the Bureau of Water Hygiene of the Department of Health, Education, and Welfare. The air and solid wastes programs were transferred from the National Air Pollution Control Administration and the Bureau of Solid Waste Management of HEW. Pesticides functions were acquired from the Department of Agriculture, Interior, and HEW. Radiation functions were acquired from the Atomic Energy Commission, HEW, and the Federal Radiation Council.

The committee recommends the appropriation of \$768,520,000 for the programs of the Environmental Protection Agency. This is an increase of \$25,720,000 above the budget requests and is \$68,525,000 above the level provided in fiscal year 1975.

The bill also includes \$188,916,000 for the transition period—an increase of \$14,916,000 above the budget amounts.

The following summarizes the programs of the agency by media:

*Air.*—The Clean Air Act of 1970, as amended, authorizes a national program of research, regulation, and enforcement activities. To protect and enhance the quality of the Nation's air resources, National Ambient Air Quality Standards are established—primary standards to protect public health and secondary standards to protect other valuables such as property and vegetation. Standards for sulfur dioxide, nitrogen dioxide, and total suspended particulates apply to stationary sources; standards for carbon monoxide, photochemical oxidants, and hydrocarbons apply primarily to motor vehicles.

Primary responsibility for the prevention and control of air pollution rests with State and local governments. States carry out State Implementation Plans, which are designed to meet National Ambient Air Quality Standards by prescribing specific limitations for types of polluters. Technical and financial assistance is provided to State and local governments to aid them in developing and executing their control programs. Federal regulation is the primary control for emissions from new motor vehicles, newly constructed industrial sources, and sources emitting hazardous pollutants such as mercury.

Enforcement is directed toward achieving compliance with the standards and regulations established for stationary and mobile sources. In stationary source enforcement, the Agency's primary objective is to assist and stimulate State enforcement programs. Mobile source enforcement includes testing and certification of prototype motor vehicles for conformance with Federal emission standards, recall of vehicles in use that do not conform to emission standards during their useful life, enforcement of transportation control plans in urban areas, and the monitoring and enforcement of the availability of unleaded gasoline.

Research and development activity includes health and ecological effects studies, monitoring method improvement and air pollution control technology improvement.

*Water Quality.*—The Federal Water Pollution Control Act, as amended, has as its objective the restoration and maintenance of the chemical, physical, and biological integrity of the Nation's waters. The major emphasis of the program is the control of pollutant discharges into waterways from point sources—i.e., specific industrial and municipal sources. Three major control methods are used: (1) Issuance of

wastewater discharge permits that require sources to reduce the level of pollution by using the best practicable technology; (2) effluent guidelines to regulate wastewater discharge sources by type of industry; and (3) financial assistance of up to 75 percent of the total cost of planning, designating, and constructing sewage treatment plants.

States have the primary responsibility for planning, monitoring, and enforcing standards and guidelines; they also establish the priorities for the award of wastewater treatment construction grants. Federal grants assistance are provided to State water pollution control agencies, whose functions include construction grants review, issuing permits, monitoring and other implementation measures. Technical, planning, and training assistance are also provided to States and local communities.

The enforcement program, conducted in cooperation with the States, includes issuance of wastewater discharge permits implementing point source performance standards, and enforcement actions to achieve compliance with regulations on oil and hazardous material discharges and ocean dumping.

The research and development program provides the scientific basis for standards and guidelines and includes determination of health effects, developing criteria for clean water in various aquatic environments, more effective wastewater treatment technology, improved monitoring of water quality, and strategies for the control of pollution from spills of oil and hazardous materials and pollution from non-point sources such as farming, mining, and construction activities.

*Water Supply.*—The Safe Drinking Water Act of 1974 provides for the safety of drinking water supplies through the establishment and enforcement of primary and secondary drinking water standards and regulations. Standards are established by the Federal government; the responsibility for enforcing them will be with the States.

Grants and technical assistance are provided to the States to assist them in developing water supply enforcement programs and permit programs to control the underground injection of contaminants. Other activities that will be conducted include a survey of the quality of rural drinking water supplies. The research and development program includes studies of health effects, the development of analytical methods for assessing drinking water quality, and improving methods of treating raw water.

*Solid Wastes.*—The Solid Waste Disposal Act, as amended by the Resource Recovery Act of 1970, directs EPA to establish guidelines for the collection, transportation, separation, recovery, and disposal of solid wastes and to promote the development and demonstration of resource recovery and solid waste disposal systems.

Assistance to State and local governments is provided through information dissemination, technical assistance, and guideline promulgation; program effort emphasizes areas of waste management problems that have a significant impact in terms of national implications—hazardous waste disposal, demonstration of resource recovery technology, and the disposal of sludges resulting from air and water pollution control.

Under a research and development program control techniques and technologies are developed for the safe disposal of toxic and hazardous

solid wastes; studies identify and evaluate the toxic and pathogenic products of incineration, landfilling and recycling operations; and health impact assessments are made on toxic substances such as arsenic, asbestos, beryllium and mercury.

**Pesticides.**—The Federal Environmental Pesticide Control Act, which amended the Federal Insecticide, Fungicide, and Rodenticide Act, authorizes the Agency to administer a comprehensive program to regulate the manufacturing, distribution and use of pesticides.

The Act requires the registration of pesticide products for general or restricted use. Pesticides are registered to prevent harmful products from entering the market and to require labeling to assure proper use. The registration of a pesticide may be cancelled or, if any imminent threat to human health or the environment exists, the product may be suspended. Residue tolerance are set for pesticide products applied to food and feed crops.

The use of pesticides classified for restricted use requires the certification of applicators. States certify the applicators and training is provided through a joint effort by EPA, the Department of Agriculture and State agencies.

Monitoring and research are conducted to determine the health and environmental effects of pesticides. Epidemiologic studies of the acute and chronic long-term human health effects of pesticide exposure are carried out with particular emphasis on new pesticides for which industry developed human exposure data has previously been poor or non-existent. Research is being undertaken with the National Science Foundation and the Department of Agriculture to develop environmentally safe alternative pest control techniques. This area also includes routine sampling of pesticide products from manufacturing establishments.

The enforcement program includes registration, market surveillance, inspections of producer establishments, and monitoring of experimental use pesticides. Enforcement may include civil or injunctive actions, stop sales, and criminal prosecutions.

**Radiation.**—The activities of this program are carried out under authorities in the Public Health Service Act, the Atomic Energy Act, and authorities of the Federal Research Council transferred to EPA at the time of its establishment.

The radiation program is directed toward preventing unnecessary exposures to ionizing radiation. The research program studies the health effects resulting from exposure to ionizing radiation, such as radionuclides emitted by nuclear power reactors and the pathways of radiation through the environment. Monitoring activities determine the levels of existing radiation from specific sources, identify critical pathways, and evaluate the impact of the source on the environment. Standards and guidelines are developed to limit radiation levels in the general environment for both ionizing and nonionizing radiation. Technical assistance and information is provided to States and local governments, including promotion of State control programs, laboratory analysis of special samples, and development and testing of emergency plans. The program also reviews environmental impact statements submitted by other Federal agencies and evaluates construction proposals for facilities to be operated by other Federal agencies.

**Noise.**—The Noise Control Act of 1972 provides the basis for a national environmental noise control program. Noise-emission standards are set for products that have been identified as major sources of noise. The program also has the authority to require the labeling of domestic or imported consumer products as to their noise-generating characteristics or their effectiveness in reducing noise.

Technical information and assistance to States, communities, and other Federal agencies consists of guidance in implementing noise control programs, developing model noise laws and ordinances, and coordinating Federal noise control programs. New product noise emission standards are enforced largely by testing new products.

**Toxic Substances.**—This program is carried on under authorities in the Agency's major legislation such as the Clean Air Act, Federal Water Pollution Control Act, and the Solid Waste Disposal Act.

The primary objective of the program is to reduce the danger to the environment which is posed by toxic substances. Research is conducted into the health effects of selected toxic substances to provide data on chemicals of current concern and provide background to support future regulatory efforts. The program develops predictive techniques for early warning through identification of toxic substances which may pose a hazard, compiles a data bank that will enable quick identification of chemicals of concern, and prepares economic and chemical assessments to ascertain options available and associated risks and benefits.

#### COMMITTEE RECOMMENDATIONS BY APPROPRIATION

Of the amounts approved in the following appropriation accounts, the Agency must limit transfers of funds between media to not more than ten percent of the budget plan without first obtaining approval of the Committee.

#### AGENCY AND REGIONAL MANAGEMENT

	Fiscal year	Transition period
1975 appropriation.....	\$57, 216, 000	-----
Estimate, 1976.....	65, 700, 000	\$17, 000, 000
Recommended in bill.....	65, 374, 000	16, 923, 000
Decrease below estimate.....	-326, 000	-77, 000

This activity includes executive direction and leadership for all programs and support in such areas as public affairs, legislative liaison, international affairs, equal employment opportunity, environmental impact statement reviews, Federal agency pollution control activities, program planning and economic analysis, budgeting, accounting, auditing, personnel management, organizational analysis, ADP operations, grant and contract policy, and other housekeeping activities.

The bill includes \$65,374,000 for agency and regional management activities in 1976 and \$16,923,000 for the transition period. The reduction represents a ten percent cut in GSA space rental costs. Language continuing the \$5,000,000 earmarking for preparing EPA environmental impact statements is retained in the bill.

## ENERGY RESEARCH AND DEVELOPMENT

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$134,000,000	-----
Estimate, 1976-----	112,000,000	\$21,000,000
Recommended in bill-----	100,000,000	21,000,000
Decrease below estimate-----	-12,000,000	-----

This activity provides for development of a scientific basis to ensure (1) protection of human health, (2) environmental protection necessary to facilitate the use of domestic energy supplies, (3) implementation of energy systems initiatives without delays caused by inadequate and insufficient environmental impact data, and (4) the concurrent development of appropriate control technologies and emerging energy systems to minimize control costs and environmental impact. The \$22,000,000 budget reduction reflects the impact of transfers to the Energy Research and Development Administration, multiyear funding of large scale projects in 1975, and the completion of certain capital intensive large-scale demonstration projects.

The Committee recommends \$100,000,000 for energy research and development programs. This is a decrease of \$12,000,000 below the budget estimate. The reduction is recommended as a partial offset to increases in higher priority areas.

The full budget estimate of \$21,000,000 is provided for the transition period.

## RESEARCH AND DEVELOPMENT

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$170,638,000	-----
Estimate, 1976-----	163,400,000	\$43,000,000
Recommended in bill-----	170,674,000	42,923,000
Change from estimate-----	+7,274,000	-77,000

The research and development programs produce the scientific information and technical tools on which to base national policy and effective control strategies in the regulation, prevention and abatement of environmental pollution.

The bill includes \$170,674,000 for research and development programs. This is an increase of \$7,274,000 above the budget request. The Committee also recommends \$42,923,000 for the transition period. The increase maintains the 1975 level of research and development support and includes a ten percent reduction in the GSA space rental charge.

The Committee has reviewed the pending reorganization of research and development activities and the proposed transfer of certain personnel to the Cincinnati facility. Recognizing the need for better direction of research efforts, as pointed out in the investigation undertaken by the Committee and included in the hearings, the agency is to be commended for the care and analysis it is making in examining its laboratories with a view to better management.

The legislative history is clear that research and development capability should be maintained in all media for situations endemic to various regions. It is therefore directed that the current industrial waste research programs shall be continued at the present locations in Corvallis, Oregon; Edison, New Jersey; Ada, Oklahoma; Athens,

Georgia; and Grosse Ile, Michigan to maintain regional responsiveness to industrial needs.

## ABATEMENT AND CONTROL

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$283,401,000	-----
Estimate, 1976-----	339,700,000	\$77,500,000
Recommended in bill-----	370,766,000	92,639,000
Increase above estimate-----	+31,066,000	+15,139,000

This activity provides for planning grants and control agency support grants to State, regional, and local agencies for planning, establishing, and improving environmental quality programs. Monitoring and surveillance are performed to determine baseline quality conditions, to measure pollutants, and to evaluate the performance of control devices. Pollution prevention, control, and abatement standards are generally established in cooperation with State and local agencies. Technical assistance is provided to Federal agencies, States, interstate regions, local communities, and industry. Environmental impact statements by Federal agencies are reviewed and evaluated. Education and training are supported through grants and other forms of assistance and in-house training programs are conducted for personnel of Federal, State and local governments, industry, and educational institutions.

After the ten percent reduction in GSA space rental costs is taken, the bill includes increases above the budget plan for the following activities:

\$6,000,000 to annualize 100 positions added in 1975 and 200 additional positions in 1976 for a total of 300 permanent positions for waste water treatment grant activities.

\$2,000,000 for academic training.

\$10,000,000, an increase of \$6,000,000 above the 1975 level, to continue the "Clean Lakes" program.

\$10,000,000 to restore State grants for water quality to the 1974 level of \$50,000,000.

\$3,750,000 to restore State grants for air quality to the 1975 appropriated level of \$55,200,000.

An increase of \$15,139,000 is provided in the transition period to continue these activities at the higher level.

The Committee also has included \$65,000,000 and \$19,000,000 respectively for 1976 and the transition period to liquidate contract authority provided under the Section 208 Areawide Waste Treatment Management Grants.

## ENFORCEMENT

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$53,340,000	-----
Estimate, 1976-----	53,900,000	\$14,000,000
Recommended in bill-----	53,606,000	13,931,000
Decrease below estimate-----	-294,000	-69,000

This activity includes the certification and permit programs; the enforcement of environmental pollution standards, including the gathering and preparation of evidential data and the conduct of enforcement proceedings; and legal services for the agency.

The \$53,606,000 recommended for enforcement will provide for a continuation of program activity at approximately the same level as

1975. The bill also includes \$13,931,000 for the transition period. The decrease from the budget estimate is in accord with the general provision in the bill reducing the General Services Administration's space rental charge by ten percent.

#### BUILDINGS AND FACILITIES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$1,400,000	-----
Estimate, 1976-----	2,100,000	\$500,000
Recommended in bill-----	2,100,000	500,000

This activity provides for the design and construction of EPA owned facilities as well as for the repair and improvement to facilities utilized by the agency. The funds are used primarily for such things as repairing plumbing, painting of buildings and for safety modifications. The 1976 request includes a \$700,000 increase to meet the Department of Labor's safety standards under the Occupational Health and Safety Act.

The bill contains the full budget estimate for 1976 and the transition period.

The Committee also directs that repair and improvement projects be limited to \$100,000 per individual project. Repair and improvement projects exceeding \$100,000 should not be undertaken by the agency without the specific approval of the House and Senate Appropriations Committees.

#### CONSTRUCTION GRANTS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	(\$1,400,000,000)	-----
Estimate, 1976-----	(500,000,000)	(\$600,000,000)
Recommended in bill-----	(500,000,000)	(600,000,000)

Construction grants are made to local public agencies for construction of municipal wastewater treatment facilities to assist States and localities in attaining and maintaining water quality standards. The Federal Water Pollution Control Act Amendments of 1972 authorized \$18 billion for this purpose. As a result of the recent Supreme Court decision, this entire amount is available for obligation. As of May 1975, approximately \$4.5 billion of these funds had been obligated.

Amounts approved from authorizations for contract authority are allotted to each State on the basis of formulas set forth in the Federal Water Pollution Control Act Amendments of 1972 and subsequent legislation. Within these allotments, grants are awarded on a priority basis for individual projects. Each project is eligible for 75 percent in Federal assistance.

The Committee recommends the budget estimate for both fiscal year 1976 and the transition period.

#### SCIENTIFIC ACTIVITIES OVERSEAS

##### (SPECIAL FOREIGN CURRENCY PROGRAM)

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	-----	-----
Estimate, 1976-----	\$6,000,000	\$1,000,000
Recommended in bill-----	6,000,000	1,000,000

This appropriation covers the support of research and research related activities in foreign countries. Appropriated funds are used to purchase the currencies which accrue to the United States primarily through sale of surplus agricultural commodities. The purchased currencies are often used to support collaborative research to supplement and/or complement EPA's domestic programs.

The bill includes \$6,000,000 for this activity in 1976 and \$1,000,000 in the transition period. This level will restore the program to its previous operating level and allow participation in a special cooperative energy related environmental studies program with Poland.

#### EXECUTIVE OFFICE OF THE PRESIDENT

##### COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$2,500,000	-----
Estimate, 1976-----	2,750,000	\$700,000
Recommended in bill-----	2,736,000	697,000
Decrease below estimate-----	-14,000	-3,000

The National Environmental Policy Act of 1969 created the Council on Environmental Quality to provide assistance and advice to the President in matters relating to the quality of national environment in the United States. Shortly thereafter, the Environmental Quality Improvement Act of 1970 provided for an office to provide similar, but somewhat different undertakings, including how the quality of the environment could be improved. The functions of both Acts have always been administered by a single organization to provide an integrated mechanism to effectively undertake policy review and implement environmental considerations on the national scene.

A significant activity of the council is to prepare the annual environmental quality report of the President and to summarize major developments for the last year. It is continually concerned with review and policy direction of environmental considerations in Federal programs and is actively involved in recommending policies to protect and improve the quality of our human surroundings in a broad spectrum of activities.

The Committee recommends an appropriation of \$2,736,000 for these activities in the next fiscal year and \$697,000 for the transition period. This is an increase of \$236,000 above the current funding level to cover increased salary costs provided by law and to restore the funding level of contractual services for analytic assistance to the actual level of requirements experienced in 1974. The minor decreases from the budget represent a 10 percent reduction in General Services Administration space rental charges.

#### GENERAL SERVICES ADMINISTRATION

##### CONSUMER INFORMATION CENTER

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$996,000	-----
Estimate, 1976-----	1,056,000	\$264,000
Recommended in bill-----	1,054,000	264,000
Decrease below estimate-----	-2,000	-----

The Consumer Information Center is responsible for encouraging the development of relevant and meaningful consumer information from the major Federal departments and agencies as a by-product of the Government's research, development, and procurement activities. In addition, the Center promotes greater public awareness of existing Federal publications through distribution of the Consumer Information Index and through various media programs.

The bill provides \$1,054,000 for the Information Center in 1976 and the budget estimate of \$264,000 in the transition period. The recommended increase of \$58,000 above the 1975 appropriation of \$996,000 is to cover the increase in paper and printing costs of the Consumer Information Index and an increase in personnel compensation and benefits. The decrease of \$2,000 from the budget estimate represents a 10 percent reduction in the requested payment to the General Services Administration for space rental charges.

#### DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

##### OFFICE OF CONSUMER AFFAIRS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$1,465,000	-----
Estimate, 1976-----	1,488,000	\$385,000
Recommended in bill-----	1,488,000	372,000
Decrease below estimate-----		-13,000

The Office of Consumer Affairs serves as the principal advisor to the Secretary of the Department of Health, Education, and Welfare on consumer related policy and programs and constitute the staff of the Special Assistant to the President for Consumer Affairs. The Committee is aware of the reorganization of the Office of Consumer Affairs to improve efficiency through the new management by objectives system and will expect positive results.

The budget estimate of \$1,488,000 recommended for the Office of Consumer Affairs in fiscal year 1976 will provide for a continuation of program activities at the fiscal year 1975 level. The \$372,000 recommended for the transition period is a \$13,000 reduction below the requested amount to adjust the transition period to the fiscal year 1976 level.

#### NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

##### RESEARCH AND DEVELOPMENT

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$2,331,015,000	-----
Estimate, 1976-----	2,678,380,000	\$730,600,000
Recommended in bill-----	2,628,980,000	700,600,000
Decrease below estimate-----	-49,400,000	-30,000,000

During the coming year, the National Aeronautics and Space Administration enters the new era of the space shuttle. With the completion of the Apollo-Soyuz mission, American men will not return to space until the first shuttle orbiter mission in 1979. The shuttle will make space flight routine. It will be reusable and will provide an economical space transportation system for a wide variety of users including the Government, private industry and international organizations.

The 1976 and transition budget request proposes continuation of the space shuttle; completion of the Apollo-Soyuz and Viking projects; various planetary, weather and scientific satellites; and further development of a strong aeronautics program. For the first time, no new starts are proposed in this budget.

The Committee recommends an appropriation of \$2,628,980,000 for 1976. This is a decrease of \$49,400,000 below the budget estimate. The bill also contains \$700,600,000 for the transition period which is a reduction of \$30,000,000 in line with the authorization level.

Within the total recommended, the following changes are made from the amounts requested in the current budget plan:

(1) The Committee directs that Pioneer Venus be deferred for one year to permit a budget priority decision in 1977 between the Large Space Telescope and Pioneer Venus. Some astronomers have been critical of NASA's Space Science program because they contend that a disproportionate level of NASA dollars have been used on planetary astronomy missions, while little or no funds have been allocated to deep space astronomy which is the principal mission of the Large Space Telescope. By delaying Pioneer Venus for one year, the Committee can make a budget priority choice between the Large Space Telescope and Pioneer Venus. A total of \$57,600,000 is requested for Pioneer Venus in fiscal year 1976. The recommendation reduces this request by \$48,400,000 and provides \$9,200,000 to maintain a management capability during the one year deferral.

It is not the intention of the Committee to eliminate Pioneer Venus. Rather, the Committee is deferring this program for one year in order to strike a budget priority between Pioneer Venus and the LST. It believes that such action will provide better justification for the use of limited resources.

(2) The Committee recommends that \$1,000,000 of the \$5,000,000 requested for continued studies of the Large Space Telescope be denied. It also recommends that the \$3,000,000 requested for LST studies in the transition period be reduced to \$2,000,000. These funds taken together with the \$3,000,000 provided for this purpose in 1975 should be sufficient to complete LST planning.

#### CONSTRUCTION OF FACILITIES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$140,155,000	-----
Estimate, 1976-----	84,620,000	\$14,500,000
Recommended in bill-----	82,130,000	10,750,000
Decrease-----	-2,490,000	-3,750,000

The Committee recommends \$82,130,000 for construction of facilities in 1976. This is a decrease of \$2,490,000 below the budget request. The bill also contains \$10,750,000 for the transition period, which is \$3,750,000 below the budget estimate in accord with the amount approved in the authorization bill.

The funds provided are the same as those requested except that the \$2,490,000 requested for the Lunar Curatorial Facility is denied. This decrease is consistent with a similar reduction made in the 1976 authorization bill.

The Committee also directs that no funds be used to begin work on modifying the 40 x 80 foot wind tunnel at the Ames Research Center until the Committee has had an opportunity to review the necessary funding in a formal budget request.

Finally, language has been included in the bill making funds available until expended for certain projects previously initiated.

#### RESEARCH AND PROGRAM MANAGEMENT

	Fiscal year	Transition period
1975 appropriation.....	\$759, 975, 000	-----
Estimate, 1976 .....	776, 000, 000	\$213, 800, 000
Recommended in bill.....	775, 512, 000	213, 678, 000
Decrease .....	-488, 000	-122, 000

The Committee recommends \$775,512,000 for research and program management in 1976 and \$213,678,000 in the transition period. The decrease from the budget estimate reflects a ten percent reduction in the payment of GSA space rental charges.

The Committee is also recommending language in the bill permitting the replacement of five older aircraft with a more modern aircraft to provide for greater efficiency and safety. This will reduce operating costs by \$1,300,000 annually.

#### NATIONAL SCIENCE FOUNDATION

##### SALARIES AND EXPENSES

	Fiscal year	Transition period
1975 appropriation.....	\$711, 570, 000	-----
Recommended in bill.....	707, 100, 000	167, 134, 000
Decrease below estimate.....	-44, 300, 000	-66, 000

The National Science Foundation recently commemorated its first quarter century of operations. It was established in 1950 and received its first appropriation in 1951. The primary purpose for its creation was to develop a national policy in science and to support and promote basic research and education in the sciences to fill a void left after World War II. The principal addition to the initial charter has been to target more effectively the basic scientific information developed into meeting national needs and problems.

The amount of Federal support has grown from the initial \$225,000 to \$763,300,000 last year, before the transfer of \$51,730,000 to the newly created Energy Research and Development Administration.

The Committee recommends an appropriation of \$707,100,000, plus the carryover of \$20,000,000 deferred by the Administration in 1975. This provides for a total program level of \$727,100,000 in 1976. Including the transfer to ERDA and adjusting for the deferrals in 1975 this will provide a program increase of \$35,530,000 in 1976 and \$44,300,000 less than the budget estimate. A total of \$167,134,000 is provided to continue programs in the transition period.

In recent months particular activities of the Foundation have been questioned. Members of Congress, representatives of the press, and countless American taxpayers have been openly critical of the use of tax revenues to finance seemingly frivolous and irrelevant scientific research projects. A number of specific examples have been cited, and

responsibility for some has been attributed to the Foundation. Investigation has shown that in most cases the responsibility for these grants rests with agencies other than NSF, and some charges of frivolity have stemmed from an inadequate understanding of the scope, purpose and intent of the research.

Nevertheless, the Committee is aware of a responsibility to insure that the quality and value of scientific research undertaken is commensurate with the tax dollars provided.

These issues were discussed with the Director and his senior staff during the NSF appropriation hearings. The Committee believes that there are no simple answers to these problems, and it cautions against acting in haste to change the current procedures in a way that might seriously undermine our basic research capability.

At the same time, steps can, and should be taken, to assure the public that the uses to which this money is put are important and in the national interest.

Therefore, the Committee urges the Director of the Foundation to give immediate attention to procedures assuring that descriptive information, including the titles of projects, is presented in a manner that will avoid misinterpretation and that will convey to the layman some understanding of the potential significance of the scientific research being supported.

The following table sets out the program and certain project amounts recommended in the bill for 1976.

The following table sets out the program amounts recommended in the bill for 1976.

	Fiscal year--		
	1975 level	1976 budget	Recommended
Scientific research project support.....	\$340, 600, 000	\$380, 000, 000	\$345, 000, 000
National and special research programs.....	79, 000, 000	107, 000, 000	100, 900, 000
GARP.....	(4, 000, 000)	(4, 000, 000)	-----
Climate dynamics.....	(0)	(4, 000, 000)	-----
IDOE.....	(15, 000, 000)	(16, 000, 000)	-----
Ocean sediment coring.....	(10, 500, 000)	(13, 600, 000)	-----
Arctic research program.....	(3, 300, 000)	(5, 000, 000)	-----
U.S. Antarctic research program.....	(25, 800, 000)	(47, 700, 000)	-----
Oceanographic facilities and support.....	(20, 400, 000)	(16, 500, 000)	-----
Solar eclipse support.....	(0)	(200, 000)	-----
National research centers.....	50, 400, 000	60, 200, 000	55, 000, 000
Science education.....	61, 200, 000	50, 000, 000	60, 000, 000
Graduate student support.....	13, 200, 000	14, 800, 000	15, 000, 000
Research applied to national needs.....	82, 700, 000	71, 500, 000	60, 000, 000
Environmental research.....	(22, 100, 000)	(24, 000, 000)	-----
Energy.....	(37, 100, 000)	(17, 000, 000)	-----
Productivity.....	(14, 900, 000)	(20, 000, 000)	-----
Exploratory research and problem assessment.....	(8, 600, 000)	(10, 500, 000)	-----
Other science activities.....	35, 300, 000	26, 600, 000	26, 200, 000
Science information programs.....	(5, 000, 000)	(6, 000, 000)	(6, 000, 000)
Science advisory activities.....	(6, 000, 000)	(4, 000, 000)	-----
Planning and policy studies.....	(2, 900, 000)	(2, 700, 000)	-----
Science assessment and policy activities.....	(2, 500, 000)	(2, 900, 000)	-----
National R. & D. assessment.....	(2, 500, 000)	(2, 500, 000)	-----
Ethical and human value implications.....	-----	(400, 000)	(1, 000, 000)
International cooperative scientific activities.....	(8, 000, 000)	(8, 000, 000)	(7, 000, 000)
Intergovernmental science and research utilization.....	(2, 000, 000)	(3, 000, 000)	(4, 000, 000)
Intergovernmental science.....	(1, 000, 000)	(1, 000, 000)	(2, 000, 000)
Experimental R. & D. incentives.....	(1, 000, 000)	(2, 000, 000)	(2, 000, 000)
Program development and management.....	38, 700, 000	41, 700, 000	41, 000, 000
Total, salaries and expenses.....	692, 200, 000	751, 400, 000	703, 100, 000

<sup>1</sup> Plus \$500,000 deferral.

<sup>2</sup> Plus \$2,000,000 deferral.

<sup>3</sup> Plus \$4,000,000 to \$9,500,000 deferrals.

<sup>4</sup> Plus \$8,000,000 deferral.

<sup>5</sup> Plus \$20,000,000 deferrals.

*Scientific Research Project Support.*—The support of research is the principal activity of the National Science Foundation. A major program for this purpose is Scientific Research Project Support. This is provided in virtually all fields of science. Essentially all proposals are unsolicited and subject to peer review for award on a basis of merit. Thus, the Foundation in every sense is enabled to provide support on a broad basis, to the best in science in this country. The Committee has strongly supported this use of funds and recognizes it as perhaps the most important of the Foundation's programs.

A funding level of \$345,000,000 is recommended by the Committee for project support in 1976. This is \$35,000,000 less than the budget estimate. In the overall perspective of Federal programs. The committee believes this is a proper level of funding to maintain at this time a national and special research programs.—The budget estimate includes \$107,000,000 in support of certain National and Special Research Programs. These are major research efforts in specific areas of national and international cooperation. These include the Global Atmospheric Research effort, a cooperative endeavor to obtain comprehensive meteorological and other data through worldwide observations to understand the general circulation of the atmosphere. This is closely integrated with the National Center for Atmospheric Research. A special program in Climate Dynamics, for which \$4,000,000 is requested, is new in the 1976 budget program. The International Decade of Ocean Exploration and the Ocean Sediment Coring programs are other efforts covered in this section. The Committee recommends funding these at their current levels of \$15,000,000 and \$10,500,000, respectively. Another \$16,500,000 is included for oceanographic facilities and support in marine sciences.

The budget estimate contains \$5,000,000 for Arctic and \$47,700,000 for Antarctic research programs. The Committee has approved the requested amounts for each program. A growing need is developing for more basic research data in each of the polar regions. Environmental demands have already caused substantial delays in the Alaska pipeline. Basic research and new baseline data in many scientific disciplines are being pushed to the limit.

The Antarctic Treaty of 1959 is unique in that it dedicates the continent solely to scientific and other peaceful uses. The scientific research work is serving to spearhead political agreement. The significance of this huge heatsink in making our climate and daily weather is too infrequently appreciated.

The National Science Foundation by policy direction bears full responsibility for the U.S. program in Antarctica. The support roles of the Navy and the Coast Guard are not to be minimized. The continent is a clean, natural environmental laboratory untouched by civilization. It stores nearly 90 percent of the world's fresh water in five million cubic miles of ice covering its surface. The Committee recognizes the

far-reaching possibilities for unique international scientific efforts on this continent. These could be as important to the United States as political experiments as they are for advancement of scientific programs.

The amount provided for Antarctic programs includes \$18,000,000 to acquire two ski-equipped LC-130R aircraft. These are necessary to provide access and logistics support anywhere on the continent, and to assure an adequate level of safety capability for personnel. Only three similar aircraft will be available next year. This is clearly inadequate in such a remote region.

The Committee notes that the United States today has a significant, leading and cooperative role in Antarctica, including a station at the South Pole itself. Its peacefully oriented activities are fully accepted and welcomed by the world community. The United States is urged to continue this gently administered leadership so as to be most effective for the U.S. interests in the quarter century ahead.

*National Research Centers.*—In order to meet national needs for advanced research in astronomy and atmospheric science, the Foundation provides support for the development and operating costs of five National Research Centers. These are the National Astronomy and Ionosphere Center south of the city of Arecibo, Puerto Rico; the Kitt Peak National Observatory in Arizona; a similar facility for the southern hemisphere at Cerro Tololo, Chile; the National Radio Astronomy Observatory with installations at Green Bank, West Virginia, Kitt Peak, and the new Very Large Array under construction in New Mexico; and the National Center for Atmospheric Research with primary activities at Boulder, Colorado. The Committee recommends \$57,000,000, including the \$2,000,000 deferred in 1975 in support of these centers next year. This is an increase of \$6,600,000 above the 1975 level. The reductions below the total requested should be made by a close examination of support costs in several areas at each center.

*Science Education.*—In recent years science education support has been substantially downgraded by the Foundation and the Administration. The Committee is greatly concerned about the extent to which the National Science Foundation has supported the promotion and marketing of course curriculum for elementary and secondary schools and the concentration of these activities on courses that have been developed with NSF or other federal support. The Committee recognizes the need to acquaint teachers with new course materials but federal support for activities designed to get high school and elementary school administrators, members of school boards and other curriculum decision makers to adopt curricula developed with Federal funds could lead to the establishment of a single federal standard for education in the various fields of science.

It is significant that one social science course for 5th graders entitled "MAN: A Course of Study" which has stirred considerable controversy because of its value orientation which many parents feel runs

counter to western cultural standards has already been implemented in 1,700 schools nationwide. NSF recently funded a grant to the developers of MACOS which announced plans for the further spread of these studies. Regardless of the merits of a particular course of study, the Committee believes that the provision of federal funding for unique education marketing activities tends to give particular courses unfair advantage in the market place and therefore it is of extreme importance that federal intervention in the development of curriculum, and especially in its implementation be fully justified on a course-by-course basis to the Congress and to a board base of public, educator, and professional organizations and parent groups nationwide.

The Committee is chiefly concerned about courses which are value oriented and which fall in the broad behavioral science category. This includes MAN: A Course of Study, Exploring Human Nature and other courses dealing with political attitudes and moral values. Since the Foundation is currently developing a number of courses in these areas and is in the process of implementing others which have never been reviewed by the Committee in terms of their national need, the Committee has included no funds for the implementation of courses in 1976. This will give the Foundation time to prepare the necessary data and to fully inform the Congress and the public of its intentions and the basis on which it has determined the pressing national need for such course material. It will also give the Congress time to fully evaluate the impact of federal involvement in this field and arrive at effective public policy guidelines for the development and implementation of such materials. This means that no funds are appropriated for implementing courses that were budgeted in the line items for "Instructional Improvement Implementation" in the elementary and secondary school programs.

The authorizing committees are currently reviewing the education program structure in some detail and allocations of funds are still pending. The Committee recommends total new funds of \$60,000,000 for science education activities. This may be supplemented with from \$4,000,000 to \$9,500,000 of deferred funds from 1975, and the reapplication of the \$9,200,000 denied for Institutional Improvement Implementation. The proportionate allocation of such funds, in general conformance with the authorization that may be provided for such programs, is contained in the language of the bill. This proportionate allocation is expected to be applied to elements within programs based upon appropriation availability to the program in the same way the proportionate allocation to programs is applied based upon total availability.

*Research Applied to National Needs.*—In recent years more emphasis has been placed on exploring opportunities for industry, government and the university-based research community to undertake cooperative efforts to address major national problems. The bill includes \$60,000,000 for these programs plus the \$8,000,000 carried forward from funds deferred in 1975.

A major effort is being made in the environmental sciences, for which the budget amount of \$24,000,000 is recommended. This includes the allocation of not to exceed \$4,500,000 for earthquake engineering support which is set forth in the bill.

The energy role of NSF is substantially less than 1976 due to large transfers of responsibility to the Energy Research and Development Administration. This will permit RANN funds to be used for some increased efforts in other programs in 1976. Other major thrusts in productivity and exploratory research and problem assessment are also supported in this program.

*Other Science Activities.*—In addition to the foregoing major programs, there are a number of other science policy, advisory, information, assessment and cooperative programs in which the Foundation is involved. These include support for the Director as Science Advisor to the President. Most of these are set forth in the table earlier in the report. The total requested for these various activities is \$26,600,000, and the Committee recommends a total of \$26,200,000 for such purposes.

*Program Development and Management.*—The Committee recommends \$41,000,000 for the operation, support, management, and direction of the NSF programs and activities previously described. This is an increase of \$2,300,000 above the current year, and \$700,000 less than the request. This is necessary to cover general cost increases in a number of items, but essentially continues the present support and employment level for the Foundation in 1976.

#### SCIENTIFIC ACTIVITIES (SPECIAL FOREIGN CURRENCY PROGRAM)

	Fiscal year	Transition period
1975 appropriation.....	\$4, 850, 000	
Estimate, 1976.....	4, 000, 000	\$500, 000
Recommended in bill.....	4, 000, 000	500, 000

For a number of years the National Science Foundation has been able to utilize government owned excess foreign currencies of certain countries to support cooperative scientific projects for our mutual benefit. This has included collecting, translating, abstracting and disseminating of foreign scientific and technical information as well as travel of U.S. and foreign scientists involved in mutually beneficial efforts. The Committee recommends the budget estimate of \$4,000,000 for these purposes, and \$500,000 for the transition period.

#### SELECTIVE SERVICE SYSTEM

##### SALARIES AND EXPENSES

	Fiscal year	Transition period
1975 appropriation.....	\$45, 000, 000	
Estimate, 1976.....	47, 887, 000	\$9, 300, 000
Recommended in bill.....	40, 000, 000	8, 300, 000
Decrease below estimate.....	-7, 887, 000	-1, 000, 000

The Committee recommends an appropriation of \$40,000,000 for the Selective Service System in 1976. This is a decrease of \$7,887,000 below the budget estimate. The bill also includes \$8,300,000 for the transition period, a reduction of \$1,000,000 below the budget request. Included within the decrease is a ten percent reduction for GSA space rental costs.

The Selective Service System's mission in standby since inductions ceased in 1973 has been to register all persons required to be registered

under the Military Selective Service Act. This has been accomplished with a reduced organizational structure but one which will have the capability to expand and be reconstituted into an operational system to provide inductees to the Department of Defense to fulfill emergency mobilization manpower requirements.

Major program adjustments including the development of alternate registrant processing procedures will continue next year. Local board operations will be phased down as soon as new procedures for the standby system are tested and found to be effective. Under these new procedures, an annual registration test will be implemented and evaluated early in 1976. Classification activity will not be reinstated until induction authority is requested by the President. These changes are being designed to decrease operating costs beginning in the transition period.

The recommended amount will require that the reduction-in-force begin earlier in fiscal year 1976 than anticipated in the budget. The planned employed decline to 1,424 position, scheduled to begin in January, 1976, should be accelerated. It should be noted that personnel strength has been reduced from 6,241 on June 30, 1973, to an estimated 1,424 on June 30, 1976.

The bill does not provide for the earmarking of \$6,000,000 for a reconciliation program. Similar activities have been carried out for conscientious objectors for many years, and the Director should use such funds as is deemed necessary to carry out this activity.

#### VETERANS ADMINISTRATION

The Veterans Administration is the third largest Federal agency. It employs more than 210,000 people, administers benefits for almost 29.5 million veterans, 65 million family members of living veterans, and 3.9 million survivors of deceased veterans. More than 98 million people, comprising about 46 percent of the total population of the United States are potential recipients of benefits provided by the Federal government.

The President to date has submitted budget estimates for veteran programs in the amount of \$16,424,264,000 for the fiscal year 1976, and \$3,881,019,000 for the transition period. On several occasions additional funds have been required to meet higher caseloads than expected in the current fiscal year and higher benefit payments enacted by the Congress. A marked upward increase has been noted in the utilization of both readjustment benefit and compensation and pension benefits by veterans in the currently depressed economy. The Committee anticipates that these expanding needs will continue and will require not less than an additional one billion dollar appropriation later in the year. The total for veteran benefits is thus expected to exceed \$17.5 billion in 1976.

The programs recommended by the Committee in the bill are among the most, if not the most comprehensive and generous any nation of the world provides for its veterans. The 171 hospitals and other medical facilities in the VA system comprise the Nation's largest organization for health care delivery. Direct and guaranteed housing loans have been issued to date aggregating in excess of \$113 billion to more than

9,056,000 veterans and servicemen. The life insurance programs administered or supervised for the benefit of servicemen, veterans and their beneficiaries have provided coverage exceeding \$101.3 billion to some 8.1 million policy holders.

For many years the Veterans Administration has been a leader in utilizing automatic data processing systems to administer its programs more efficiently. This has brought reductions in operating costs that could not otherwise have been achieved. Among the many applications of such systems in 1976 will be the distribution of at least \$11.7 billion in compensation, pension and education benefits to the 7.6 million people entitled to such payments.

The latest addition of responsibility to the VA Administrator is the management and direction of the National Cemetery System, which was transferred from the Army on September 1, 1973. A total of 135 cemeterial stations in 103 National Cemeteries and 32 miscellaneous burial plots and monument sites in 37 states comprise the System.

The total recommended by the Committee for these programs in 1976 is \$16,431,764,000. This is \$127,747,000 above the amounts appropriated in 1975, and an increase of \$7,500,000 above the total budget estimates that have been submitted to date. This is again the largest annual amount in history for the purposes described in the specific recommendations that follow for the individual programs.

#### COMPENSATION AND PENSIONS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$7, 539, 400, 000	-----
Estimate, 1976-----	7, 499, 700, 000	\$1, 885, 400, 000
Recommended in bill-----	7, 499, 700, 000	1, 855, 400, 000

This appropriation provides funds for service-connected compensation to an estimated 2,577,969 veterans, and pension payments to another 2,215,310 beneficiaries for non-service connected disabilities. The average cost per case for compensation is estimated at \$1,693, and pension payments are projected at a unit cost of \$1,580. Workload is running about 470,000 more in compensation cases than planned in the budget, and pensions to veterans and survivors are about 40,000 less than expected. The overall effect is that the caseload is continuing at higher than expected levels and not declining as had been planned in the budget.

The Committee recommends the full request of \$7,449,700,000, and \$1,885,400,000 for the transition period. Further funding will be necessary as more precise estimates of caseload increases develop, and as final disposition is made of pending legislation to further increase compensation rates.

#### READJUSTMENT BENEFITS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$4, 550, 738, 000	-----
Estimate, 1976-----	4, 214, 475, 000	\$854, 472, 000
Recommended in bill-----	4, 214, 475, 000	854, 472, 000

The Committee recommends the budget estimate of \$4,214,475,000 in fiscal year 1976 and \$854,472,000 in the transition period for readjustment benefits. Based on the latest level of readjustment benefit

payments it is estimated that there is a deficiency of nearly one billion dollars in this account for 1976.

The Committee has noted that overpayments related to the education and training program benefits have increased at a much greater rate than program costs. There are a number of reasons for the increase in overpayments. The most significant are:

(1) Legislation authorizing advance and prepayments of benefits (Public Law 92-540). This law provides for monthly prepayment of benefits to trainees, in lieu of the previous procedure of paying benefits at the end of the month for which training was received.

(2) Failure of training institutions to advise VA of initial enrollment and changes in training status or interruptions on a timely basis.

(3) Failure of trainees to report changes in training status.

(4) Relaxation of procedures to assure timely payment benefits.

Accounts receivable continue to increase in fiscal year 1975. During the first nine month period the total receivables subject to recovery amounted to \$406 million. Of this amount \$283 million were overpayments established during this period. As of March 31, 1975, the accounts receivable balance on hand was \$169 million. During this same period \$230 million of the overpayments were recovered through collection actions.

The Committee urges the Veterans Administration and the Congress, jointly, to take whatever action may be required to reduce the incidence and volume of overpayments to the lowest possible level, consistent with insuring timely payment of monthly education benefits to veterans, and to reduce the outstanding overpayment balances through continued improvements in the collection procedures and operations.

The Committee is most concerned that funds appropriated for these educational benefits are utilized specifically for the purpose intended by law. Should this trend continue, the Committee has no recourse but to look further into this matter on future requests for funds.

#### VETERANS INSURANCE AND INDEMNITIES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$8,750,000	
Estimate, 1976-----	6,600,000	\$2,450,000
Recommended in bill-----	6,600,000	2,450,000

The budget estimate of \$6,600,000 for fiscal year 1976 and \$2,450,000 for the transition period are recommended for the cost to various insurance funds for claims traceable to the extra hazards of service and death claims on policies under waiver of premium while the insured were on active duty.

#### MEDICAL CARE

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$3,317,520,000	
Estimate, 1976-----	3,667,866,000	\$949,702,000
Recommended in bill-----	3,666,711,000	949,413,000
Decrease below estimate-----	-1,155,000	-289,000

The Committee recommends \$3,666,711,000 for fiscal year 1976 and \$949,413,000 for the transition period to provide for medical care and treatment of eligible beneficiaries in VA hospital, nursing home care,

domiciliary and out-patient clinic facilities; contract hospitals; State domiciliaries, nursing homes and hospitals; contract community nursing homes; and out-patient programs on a fee basis. Hospital and out-patient care is also provided by the private sector for certain dependents and survivors of veterans under the civilian health and medical program of the Veterans Administration. Funds are also used to train medical residents and other professional, paramedical and administrative personnel in health-science fields to support the VA's medical care programs and the Nation's manpower demand in these shortage categories.

For several years the Committee has addressed its concern to the adequacy of the budget requests for the medical program, most specifically the need for additional hospital personnel. The Veterans Administration has recently completed a study of its health care delivery system. The results were made known in "Report of a Special Survey of the Level of the Quality of Patient Care at Veterans Administration Hospitals and Clinics". The survey indicated a need for additional resources for core staffing, firefighting, specialized medical services, mental hygiene clinics, safety and fire protection, correction of electrical deficiencies and replacement of boiler plant equipment at many of its hospitals.

The bill includes an increase of \$112,052,000 for an increase in average employment of 5,783 for fiscal year 1976 to meet needs addressed in the Quality of Care Survey. The Committee has provided \$237,139,000 above the fiscal year 1975 appropriation for covering higher medical care costs and improving the program in 1976.

#### MEDICAL AND PROSTHETIC RESEARCH

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$91,377,000	
Estimate, 1976-----	95,000,000	\$24,714,000
Recommended in bill-----	95,000,000	24,714,000

The bill provides the budget estimate of \$95,000,000 for fiscal year 1976 and \$24,714,000 for the transition period for Medical and Prosthetic Research. The amount recommended for fiscal year 1976 will allow for an increase of 155 in average employment above 1975. The amount recommended for the transition period will continue the fiscal year 1976 level of operations.

The medical research program is an important aspect of VA programs for providing complete medical and hospital service for veterans. The prosthetic research program is also essential in the development and testing of prosthetic, orthopedic and sensory aids for the purpose of improving the care and rehabilitation of disabled eligible veterans, including amputees, paraplegics and the blind. The health service projects at VA hospitals provide unique opportunities to improve the economy of delivery of health services, and also the accessibility of such services.

#### ASSISTANCE FOR HEALTH MANPOWER TRAINING INSTITUTIONS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$10,000,000	
Estimate, 1976-----	30,000,000	\$8,332,000
Recommended in bill-----	30,000,000	8,332,000

This program provides grants to assist in the establishment of new State medical schools at colleges or universities primarily supported by the State and operated in conjunction with VA medical facilities. Grants are also provided to existing affiliated medical schools and other health manpower institutions to expand and improve medical training, and for the expansion of VA hospitals' education and training capacity.

The Committee recommends the budget estimates of \$30,000,000 for fiscal year 1976 and \$8,332,000 for the transition period. There is an anticipated unobligated balance of \$14,308,000, which will provide for a total program of \$44,308,000 in 1976.

#### MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$37, 508, 000	-----
Estimate, 1976-----	38, 528, 000	\$10, 230, 000
Recommended in bill-----	38, 528, 000	10, 230, 000

This bill provides the budget estimates of \$38,528,000 for fiscal year 1976 and \$10,230,000 in the transition period for executive direction of all agency medical programs. It also includes planning and management of a department-wide program of research and development of health services delivery systems, continuing education programs for professional medical and administrative staff, and the exchange of medical information.

The amount in the bill will permit an increase of 27 in average employment; 26 in medical administration and one in research and development in health services. The amount recommended for the transition period will maintain the funding and employment levels provided in fiscal year 1976.

#### GENERAL OPERATING EXPENSES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$432, 038, 000	-----
Estimate, 1976-----	452, 957, 000	\$112, 844, 000
Recommended in bill-----	462, 300, 000	112, 164, 000
Change from estimate-----	+9, 343, 000	-680, 000

The Committee recommends \$462,300,000 for 1976 and \$112,164,000 in the transition period for the administration of nonmedical veterans benefits through the Department of Veterans Benefits; operation and maintenance of 103 national cemeteries in the National Cemetery System; data processing and communications systems in the Department of Data Management; and top management direction and support through agency-level staff officers.

The budget proposed a decrease of 463 in average employment for general operating expenses. The Committee has added \$12,043,000 for 1,000 temporary positions to meet the increased workload in the benefit programs. The reductions of \$2,701,000 in fiscal year 1976 and \$680,000 in the transition period represent ten percent decreases in GSA space rental charges.

While the Veterans Administration has made a remarkable record of effectively using modern technology to manage and improve its programs, the Committee is concerned that the equipment and capa-

bility at the Hines center is becoming antiquated and overloaded. The Target System offers the promise of a new breakthrough in quality of service to veterans and should be advanced as soon as the programs are proven and the costs justified.

#### CONSTRUCTION, MAJOR PROJECTS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$251, 127, 000	-----
Estimate, 1976-----	297, 464, 000	\$15, 860, 000
Recommended in bill-----	299, 924, 000	15, 860, 000
Increase above estimate-----	+2, 460, 000	-----

This appropriation for the construction of major projects includes those estimated to cost \$1,000,000 or more. It finances the construction of new facilities, and the modernization, alteration and improvement of others. The bill provides \$299,924,000 for projects requested in the 1976 program and \$15,860,000 for the transition period.

Last year the Committee included language in the report directing the Veterans Administration to reprogram funds for construction of a needed research and education building at the Houston hospital. These were not apportioned as indicated, and the Committee is earmarking \$6,259,000 in the bill for this purpose. An addition of \$2,460,000 is included in the total of the bill for the expansion of clinic and outpatient facilities in Building No. 1 and correction of fire and safety deficiencies at the Northampton hospital to begin its modernization this year.

Finally, the Committee is advised that one of the locations being considered for a new cemetery is at the historic shrine at Valley Forge, Pennsylvania. There is no justification for spoiling national shrines or overly concentrate activities at such locations. The Committee has therefore denied any funds for planning, developing or constructing a national cemetery in that area.

The Committee's investigative staff recently completed a review of the VA construction program. The report found serious weaknesses in the construction planning and budgetary process which are largely responsible for the continuing high level of cost overruns on major VA hospital construction projects. Because of the lack of effective planning, projects are often placed in the VA construction program before they are fully developed. Projects are also placed in the budget based on early cost estimates which are inaccurate, incomplete, or deliberately understated. Consequently, sufficient funds are not available for the projects, and subsequent budget increases result in significant cost overruns.

The lack of effective long-range planning and development of hospital construction projects is one of the primary reasons for cost overruns. The magnitude of these cost escalations is shocking. For 28 major hospital construction projects the costs increased in total by \$545.8 million since the original budget submission to the Congress, or from \$677.3 million to \$1.223 billion. Individual projects have increased as much as 391 percent. The current cost estimate was more than double the initial budget estimate on 10 of the 28 projects. The Committee is deeply concerned with this cost overrun problem and will expect the program to be improved without delay.

A listing of the projects reviewed and amounts approved and recommended by the Committee this year is as follows:

CONSTRUCTION OF FACILITIES—MAJOR PROJECTS  
FISCAL YEAR 1976

Item and location	Appropriation		
	Available through 1975	Recommended for 1976	Future requirement
<b>Replacement and modernization:</b>			
Augusta, Ga., replacement hospital	\$7,067,000	\$50,393,000	
Boise, Idaho, new clinical support facility	4,404,000	1,441,000	
Bronx, N.Y., replacement hospital	72,406,000	30,594,000	
Columbia, S.C., new bed building and boiler plant	24,666,000	20,334,000	
Loma Linda, Calif., replacement hospital	53,010,000	18,004,000	
Phoenix, Ariz., modernization and expansion of facilities, phase II	600,000	7,314,000	
St. Albans, N.Y., modernization	4,600,000	1,400,000	
West Roxbury, Mass., spinal cord rehabilitation center and modernization	11,491,000	1,074,000	\$6,997,000
<b>Total, replacement and modernization</b>	<b>178,244,000</b>	<b>130,554,000</b>	<b>6,997,000</b>
<b>Nursing home care facilities:</b>			
Gainesville, Fla., 120 beds		238,000	3,175,000
Hampton, Va., 120 beds		238,000	3,175,000
Jackson, Miss., 120 beds	183,000	3,390,000	
Manchester, N.H., 120 beds	3,607,000	354,000	
Memphis, Tenn., 120 beds		246,000	3,278,000
Miami, Fla., 120 beds		270,000	3,593,000
Palo Alto, Calif., 150 beds		388,000	5,117,000
Washington, D.C., 120 beds nursing home care and clinical facilities	125,000	838,000	9,580,000
Wilmington, Del., 60 beds	94,000	1,800,000	
<b>Total, nursing home care facilities</b>	<b>4,009,000</b>	<b>7,762,000</b>	<b>27,978,000</b>
<b>Research and education facilities: Houston, Tex.</b>	<b>328,000</b>	<b>6,259,000</b>	
<b>Cemeteries:</b>			
Honolulu, Hawaii, administration building/visitor center and parking structure	125,000	2,842,000	
Willamette, Ore., develop 38 acres and additional facilities	640,000	2,118,000	
Willamette, Ore., design mausoleums/columbariums, No. 2		90,000	1,500,000
Region I, develop 20 acres and additional facilities	250,000	2,000,000	
Region I, visitor center		115,000	1,500,000
Region III, develop 20 acres and additional facilities	250,000	2,000,000	
Region III, visitor center		135,000	1,800,000
Region III, develop 20 acres and additional facilities		2,000,000	
Region III, visitor center		150,000	2,000,000
Region IX, develop 20 acres and additional facilities	250,000	2,000,000	
Region IX, visitor center		150,000	2,000,000
<b>Total, cemeteries</b>	<b>1,515,000</b>	<b>13,600,000</b>	<b>8,800,000</b>
<b>Improvements to outpatient clinics:</b>			
Atlanta, Ga.	86,000	1,014,000	
Cincinnati, Ohio	359,000	4,784,000	
Hines, Ill.	186,000	2,713,000	
Kansas City, Mo.	560,000	6,543,000	
Long Beach, Calif.	644,000	8,587,000	
Providence, R.I.	228,000	3,299,000	
St. Louis (Jefferson Barracks), Mo.	158,000	2,512,000	
Tucson, Ariz.	275,000	2,466,000	
<b>Total, improvements to outpatient clinics</b>	<b>2,496,000</b>	<b>31,918,000</b>	
<b>Air-conditioning systems:</b>			
Augusta, Ga. (Lenwood)	260,000	3,930,000	
Biloxi, Miss. (Gulfport)	1,077,000	146,000	
Fayetteville, Ark.	284,000	2,969,000	
Lexington, Ky.	574,000	7,658,000	
Mountain Home, Tenn.	165,000	1,695,000	
Perry Point, Md.	1,029,000	13,714,000	
Poplar Bluff, Mo.	2,109,000	706,000	
Salem, Va.	540,000	6,348,000	
Tucson, Ariz.	299,000	4,430,000	
<b>Total, air-conditioning systems</b>	<b>6,637,000</b>	<b>41,596,000</b>	

CONSTRUCTION OF FACILITIES—MAJOR PROJECTS—Continued

FISCAL YEAR 1976

Item and location	Appropriation		
	Available through 1975	Recommended for 1976	Future requirement
<b>Other general projects:</b>			
Battle Creek, Mich., deadend corridor stairs	\$100,000	\$1,247,000	
Bay Pines, Fla., clinical improvements		3,198,000	
Bay Pines, Fla., replace boiler plant	118,000	1,567,000	
Birmingham, Ala., deadend corridor stairs and miscellaneous OSHA deficiencies	141,000	1,875,000	
Canandaigua, N.Y., new engineering shop and office building		123,000	\$1,640,000
Canandaigua, N.Y., 2d exits from rooms over 1,000 ft. <sup>2</sup>	365,000	4,869,000	
Chicago (Research), Ill., remodel surgical area		413,000	5,506,000
Dayton, Ohio, clinical addition		960,000	8,656,000
Denver, Colo., deadend corridor stairs	98,000	1,310,000	
Downey, Ill., deadend corridor stairs	253,000	3,373,000	
East Orange, N.J., deadend corridor stairs	144,000	1,913,000	
East Orange, N.J., correction electrical deficiencies	1,025,000	214,000	
Fayetteville, Ark., correction electrical deficiencies	180,000	1,616,000	
Gainesville, Fla., clinical improvement phase I	497,000	6,832,000	
Huntington, W. Va., clinical improvement	158,000	1,810,000	
Huntington, W. Va., addition building, No. 1		264,000	3,525,000
Kansas City, Mo., deadend corridor stairs	118,000	1,464,000	
Leavenworth, Kans., new laundry building	2,431,000	936,000	
Minneapolis, Minn., deadend corridor stairs	123,000	1,638,000	
Muskogee, Okla., deadend corridor stairs	118,000	1,575,000	
New York, N.Y., deadend corridor stairs	410,000	5,468,000	
New York, N.Y., correct electrical deficiencies	1,031,000	346,000	
Northampton, Mass., expansion of clinic and outpatient facilities at Building #1 and correction of fire and safety deficiencies		2,460,000	
Northport, N.Y., deadend corridor stairs	102,000	1,264,000	
Oklahoma City, Okla., deadend corridor stairs	105,000	1,396,000	
Oklahoma City, Okla., correct electrical deficiencies	186,000	1,676,000	
Perry Point, Md., correct electrical deficiencies	195,000	1,750,000	
Reno, Nev., clinical improvement	700,000	2,557,000	5,150,000
Salem, Va., renovate building No. 77		105,000	1,395,000
Salem, Va., deadend corridor stairs	314,000	4,188,000	
Salem, Va., new clinical building		157,000	2,094,000
Salt Lake City, Utah, clinical improvement		84,000	1,124,000
Sepulveda, Calif., deadend corridor stairs and elevator	113,000	1,501,000	
St. Albans, N.Y., laundry consolidation		1,996,000	
St. Louis (Jefferson Barracks), Mo., deadend corridor stairs	98,000	1,221,000	
Tuscaloosa, Ala., deadend corridor stairs	149,000	1,983,000	
White River Junction, Vt., clinical improvement	150,000	3,645,000	
<b>Total, other general projects</b>	<b>9,422,000</b>	<b>68,994,000</b>	<b>29,090,000</b>
Correction of seismic deficiencies		5,000,000	
Computer center alterations and additions: Washington, D.C.		500,000	
Reprogramming for Houston research education building		-6,259,000	
<b>Total, major projects, fiscal year 1976</b>	<b>202,351,000</b>	<b>299,924,000</b>	<b>72,865,000</b>

TRANSITION QUARTER

Item and location	Available through fiscal year 1976	Recommended for transition quarter	Future requirement
Replacement and modernization: Madison, Wis., modernization	\$134,000	\$10,683,000	
Nursing home care: Palo Alto, Calif., 150 beds	388,000	5,177,000	
<b>Total, major projects, transition quarter</b>	<b>522,000</b>	<b>15,860,000</b>	

## CONSTRUCTION, MINOR PROJECTS

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$51,894,000	-----
Estimate, 1976-----	106,426,000	\$16,490,000
Recommended in bill-----	106,426,000	16,490,000

This appropriation provides for constructing, altering, extending and improving any of the facilities under the jurisdiction of the VA, including planning, architectural and engineering services, and site acquisition where the estimated cost of a project is less than \$1,000,000. Also included are the costs of the Office of the Assistant Administrator for Construction. The Committee recommends the budget estimate of \$106,426,000 for these purposes, and the \$16,490 requested for the transition period. This is more than double the amount of last year.

Of the amount recommended for fiscal year 1976, \$987,000 is provided for nursing home care projects, \$3,000,000 for cemetery projects, \$87,639,000 for other projects and \$14,800,000 for general administration. Of the amount recommended for the transition period, \$150,000 is allocated for nursing home care projects, \$1,000,000 for research and education projects, \$1,915,000 is for cemetery projects, \$9,510,000 for other projects, and \$3,915,000 for general administration.

## GRANTS FOR THE CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

	<i>Fiscal year</i>
1975 appropriation-----	\$9,700,000
Estimate, 1976-----	10,000,000
Recommended in bill-----	10,000,000

The bill provides the requested \$10,000,000 for this account, including \$5,000,000 for grants to assist States in the construction of State facilities for furnishing nursing home care to war veterans. These grants may not exceed 65 percent of the total cost of the project and may not provide for more than two and one half beds per thousand war veteran population in any State.

Another \$5,000,000 provides grants to assist States remodel, modify or alter existing hospital and domiciliary facilities in State Homes. Such grants may not exceed 65 percent of the total cost of the project, nor may any one State receive in any fiscal year more than 20 percent of the amount appropriated for that fiscal year.

## GRANTS TO THE REPUBLIC OF THE PHILIPPINES

	<i>Fiscal year</i>	<i>Transition period</i>
1975 appropriation-----	\$2,050,000	-----
Estimate, 1976-----	2,100,000	\$525,000
Recommended in bill-----	2,100,000	525,000

The Committee recommends the budget estimates of \$2,100,000 in 1976 and \$525,000 for the transition period to provide grants to the Republic of the Philippines.

This program, which started in 1948, provides grants for medical care and treatment of eligible Philippine Commonwealth Army veterans and new Philippine Scouts, and for programs of medical education and training of health services personnel. Medical care and treatment is provided by the Republic of the Philippines at the Veterans Memorial Hospital in Manila, or at other facilities by contract.

Of the \$2,100,000 recommended for fiscal year 1976, \$2,000,000 is for medical care and treatment of veterans, \$50,000 is for grants for education and training of health service personnel, and \$50,000 is for grants for replacement and upgrading of hospital equipment and the physical plant.

## PAYMENT OF PARTICIPATION SALES INSUFFICIENCIES

	<i>Fiscal year</i>
1975 appropriation-----	\$1,828,000
Estimate, 1976-----	3,148,000
Recommended in bill-----	-----
Decrease below estimate-----	-3,148,000

This program has been used to cover the amount of insufficiencies in the participation sales program. It has funded the difference in costs between low VA interest loan rates and the rate in the participation sales on the mortgages that are turned over. With an estimated \$596 million in the Loan Guaranty Fund, and over \$1 billion in the direct loan revolving fund, the Committee believes that any losses should be covered from these funds and recommends the necessary language in the Loan guaranty revolving fund limitation. No funds are recommended for this account in fiscal year 1976.

## LOAN GUARANTY REVOLVING FUND (LIMITATION ON OBLIGATIONS)

	<i>Fiscal year</i>	<i>Transition period</i>
1975 limitation-----	\$500,000,000	-----
Estimate, 1976-----	550,000,000	\$150,000,000
Recommended in bill-----	550,000,000	150,000,000

The Committee recommends a limitation of \$550,000,000 in fiscal year 1976 to finance costs, other than administrative, for the loan guaranty program. The bill also includes a limitation of \$150,000,000 for the transition period.

The assistance normally provided consists of the guaranty or insurance of loans made by private lenders to veterans. The VA may make loans directly to veterans for homes and farm residences from the direct loan revolving fund under certain conditions.

As explained in the preceding item, language has been added to the bill to permit any insufficiencies in the participation sales program to be paid from the revolving fund limitation as there are ample funds in the revolving fund to cover deficiencies that may occur for many years.

TITLE III  
CORPORATIONS

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

LIMITATION OF ADMINISTRATIVE EXPENSES, GOVERNMENT NATIONAL  
MORTGAGE ASSOCIATION

	<i>Fiscal year</i>	<i>Transition period</i>
1975 limitation-----	\$8, 113, 000	-----
Estimate, 1976-----	1, 240, 000	\$350, 000
Recommended in bill-----	1, 240, 000	350, 000

The budget estimates of \$1,240,000 in fiscal year 1976 and \$350,000 in the transition period are recommended for the limitation on administrative expenses of the Government National Mortgage Association. The decrease of \$6,873,000 is attributable to a change in accounting procedure which excludes the cost of contractual services provided by the Federal National Mortgage Association from the limitation. Such service will be charged to the appropriate accounts.

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES,  
FEDERAL HOUSING ADMINISTRATION

	<i>Fiscal year</i>	<i>Transition period</i>
<b>Administrative expenses:</b>		
1975 limitation-----	\$14, 230, 000	-----
Estimate, 1976-----	16, 145, 000	\$3, 945, 000
Recommended in bill-----	-----	-----
Decrease below estimate-----	-16, 145, 000	-3, 945, 000
<b>Nonadministrative expenses:</b>		
1975 limitation-----	190, 500, 000	-----
Estimate, 1976-----	193, 962, 000	48, 280, 000
Recommended in bill-----	-----	-----
Decrease below estimate-----	-193, 962, 000	-48, 280, 000

The bill does not contain limitations on the administrative or non-administrative expenses of the Federal Housing Administration. Instead, the Committee proposes direct appropriations for all HUD activities and reimbursement to the Treasury out of FHA funds in an amount equal to the expenses actually chargeable to FHA fund activities during a year.

A more detailed explanation of this action can be found in the report under Salaries and Expenses, Housing Programs.

FEDERAL HOME LOAN BANK BOARD

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES,  
FEDERAL HOME LOAN BANK BOARD

	<i>Fiscal year</i>	<i>Transition period</i>
<b>Administration expenses:</b>		
1975 limitation-----	\$10, 677, 000	-----
Estimate, 1976-----	14, 765, 000	\$3, 680, 000
Recommended in bill-----	14, 665, 000	3, 650, 000
Decrease below estimate-----	-100, 000	-30, 000
<b>Nonadministrative expenses:</b>		
1975 limitation-----	20, 936, 000	-----
Estimate, 1976-----	19, 643, 000	4, 906, 000
Recommended in bill-----	19, 585, 000	4, 900, 000
Decrease below estimate-----	-58, 000	-6, 000

The Federal Home Loan Bank Board is responsible for regulating and supervising the savings and home-financing industry. The costs of the Federal Home Loan Bank Board operation—including the examinations of insured savings and loan associations—are met by assessing the twelve Federal Home Loan Banks and the Federal Savings and Loan Insurance Corporation for services rendered and by direct examination charges to savings and loan associations for the services of the Office of Examinations and Supervision.

The Committee recommends \$14,665,000 for a limitation on administrative expenses in fiscal year 1976 and \$3,650,000 in the transition period. The bill also provides limitations on nonadministrative expenses of \$19,585,000 in fiscal year 1976 and \$4,900,000 in the transition period. The amounts recommended include a 10 percent reduction in the General Services Administration's space rental charge. An increase of 34 in average employment is requested and recommended for 1976.

Technical language is also included in the bill to authorize the Federal Home Loan Bank Board to treat certain expenses of supervision and examination as administrative expenses. These previously have been included under the nonadministrative expense limitation.

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL SAVINGS AND LOAN  
INSURANCE CORPORATION

	<i>Fiscal year</i>	<i>Transition period</i>
1975 limitation-----	\$772, 000	-----
Estimate, 1976-----	830, 000	\$206, 000
Recommended in bill-----	820, 000	203, 000
Decrease below estimate-----	-10, 000	-3, 000

The bill provides for a limitation of \$820,000 on administrative expenses of the Federal Savings and Loan Corporation in fiscal year 1976 and \$203,000 in the transition period. The amounts recommended include a 10 percent reduction in the space rental charge payable to General Services Administration.

The Federal Savings and Loan Insurance Corporation insures savings accounts up to \$40,000 for each saver in Federal savings and loan associations, and in approved State-chartered savings and loan or building and loan associations. The Corporation must act with dispatch in its various insurance activities and protect the savings of people invested in insured associations.

TITLE IV

GENERAL PROVISIONS

The Committee recommends that the general provisions applicable to the Department and agencies carried in the current fiscal year be continued in 1976 and the transition period, except that the general provision allowing the National Aeronautics and Space Administration to transfer up to one-quarter of one percent of the appropriations available between the research and development appropriation and the

research and program management appropriation is no longer required.

The travel limitation carried in Sec. 401 has been modified to limit such expenses to not to exceed ten per centum above the amounts set forth therefor in the budget estimates submitted for the appropriations in the bill. This will permit some flexibility within each appropriation account for the payment of such expenses in view of recent legislation increasing per diem and other rates payable for travel expenses.

#### TRANSFERS OF UNEXPENDED BALANCES

The following transfer provision is recommended and submitted in compliance with Clause 1(b), of rule X:

On page 6, in connection with Community Planning and Development, Community Development Grants and Transfer of Unexpended Balance:

*, of which \$964,000,000 shall be derived by transfer from the unexpended balance of budget authority provided by section 401(d)(1) of the Housing Act of 1950, as amended (12 U.S.C. 1749(d)(1), which shall be treated the same as other budget authority provided by this paragraph*

[NOTE.—The foregoing authorizes the transfer of the inactive unobligated and unexpended balance of college housing budget authority to the Community Development Grants program. A fuller explanation of this provision and the reasons therefor is found on page 11 of the report.]

#### CHANGES IN THE APPLICATION OF EXISTING LAW

Pursuant to clause 3, Rule XXI of the House of Representatives, the following statements are submitted describing the effect of provisions in the accompanying bill which directly or indirectly change the application of existing law.

1. In many cases, the Committee has found it necessary to recommend funding for ongoing activities and programs where authorizations have not and probably will not be enacted before the beginning of the new fiscal year. This includes some or all of the programs under the Department of Housing and Urban Development, Consumer Products Safety Commission, Council and Office of Environmental Quality, Environmental Protection Agency, National Aeronautics and Space Administration, National Science Foundation and the Veterans Administration.

2. The bill includes, in most instances, special one-time appropriations for all agencies for the three-month transition period from July 1, 1976, to September 30, 1976, due to the change in the beginning of fiscal year 1977 from July 1, 1976, to October 1, 1976.

3. The bill provides that appropriations shall remain available until expended for a number of programs for which the basic authorizing legislation does not presently authorize such extended availability, and in other instances where funds are authorized to remain available until expended the funds are limited to a shorter period of time.

4. Sections 401 through 406 of Title IV of the bill contain a number of general provisions, all of which are essentially as carried in previous appropriation acts, which place limitations on the use of funds in the bill and which might, under some circumstances, be construed as changing the application of existing law.

5. A provision on page 2, in connection with annual contributions for assisted housing, limits the discretion of the Secretary to set fair market rents. The funds in the bill may not be used to finance any increase more than 10 per cent above the rates published in the Federal Register through April 7, 1975. A full explanation of this limitation is found on page 5 of the report.

6. The appropriation language for the National Science Foundation on pages 24 and 25 include certain limitations on the funds in this bill that in some instances may be less than the minima contained in a pending authorization. The provisions also limit the allocation of appropriated funds in this bill proportionate to authorized totals when certain purposes are specified. An explanation of these limitations is more fully covered on pages 32 through 36 of the report.

7. A new provision is recommended on page 37 to provide reimbursement to the Treasury for certain administrative expenses of the Federal Housing Administration that in this bill are being provided from appropriations. This technical language is necessary for accounting purposes to make the offsetting adjustments between appropriated and corporate funds. A further explanation of this provision appears on page 9 of the report.

#### LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in connection with any appropriation bill are recommended:

On page 8, in connection with Research and Technology:

*: Provided, That \$400,000 of the foregoing amount shall be used only for a grant to the Housing Assistance Council.*

[NOTE.—An explanation of this provision is found on page 14 of the report.]

On page 32, in connection with Construction, Major Projects:

*: Provided, That \$6,259,000 shall be available for construction of a research and education facility at Houston, Texas, and \$2,460,000 for expansion of clinic and outpatient facilities and correction of fire and safety deficiencies at Northampton, Massachusetts:*

[NOTE.—An explanation of this provision is found on page 42 of the report.]  
 On page 39, in connection with the Federal Home Loan Bank Board:  
*such part as the Board determines not to be field expense, which part shall be treated as if expenses of supervision and examination were not as such excluded from administrative expense, and except*  
 [NOTE.—An explanation of this provision is found on page 47 of the report.]

**COMPARATIVE STATEMENT OF THE NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES FOR FISCAL YEAR 1976**

**PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—FEDERAL FUNDS**

Becomes available automatically under earlier, or "permanent" law without further, or annual action by the Congress. Thus, these amounts are not included in the accompanying bill.]

Agency and item (1)	New budget (obligational) authority, 1975 (2)	Budget estimates of new budget (obligational) authority, 1976 (3)	Increase (+) or decrease (—) (4)
<b>Department of Housing and Urban Development:</b>			
Annual contributions for assisted housing (contract authority) .....	\$338,944,000	\$34,000,000	-\$304,944,000
College housing—loans and other expenses (indefinite) .....	405,000	402,000	-3,000
Federal Housing Administration fund (authority to spend public debt receipts, indefinite) .....	875,000,000	800,000,000	-75,000,000
Government National Mortgage Association: Special assistance functions fund: Indefinite .....	3,533,000	3,482,000	-51,000
Authority to spend public debt receipts .....	3,000,000,000	-----	-3,000,000,000
Revolving fund (liquidating programs, indefinite) .....	-----	964,000	+964,000
Interstate land sales (indefinite, special) .....	925,000	900,000	-25,000
Public facility loans (indefinite) .....	998,000	-----	-998,000
Environmental Protection Agency: Abatement and control (contract authority) .....	150,000,000	-----	-150,000,000
Department of the Treasury: Subsidy payment to Environmental Financing Authority (indefinite) .....	75,000	-----	-75,000
<b>Total, permanent new budget (obligational) authority, Federal funds) .....</b>	<b>4,369,880,000</b>	<b>839,748,000</b>	<b>-3,530,132,000</b>

**PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—TRUST FUNDS**

Agency and item (1)	New budget (obligational) authority, 1973 (2)	Budget estimates of new budget (obligational) authority, 1976 (3)	Increase (+) or decrease (-) (4)
American Battle Monuments Commission: Contributions (indefinite)-----	\$21, 000	\$51, 000	+ \$30, 000
National Aeronautics and Space Administration: Miscellaneous trust funds (indefinite)-----	1, 550, 000	525, 000	- 1, 025, 000
National Science Foundation: Donations (indefinite) -----	2, 355, 000	1, 355, 000	- 1, 000, 000
Veterans Administration:			
General post fund, national homes (indefinite)-----	3, 950, 000	4, 100, 000	+ 150, 000
National service life insurance fund (indefinite)-----	831, 581, 000	873, 660, 000	+ 42, 079, 000
U.S. Government life insurance fund (indefinite)-----	38, 160, 000	38, 260, 000	+ 100, 000
Total, permanent new budget (obligational) authority, trust funds-----	877, 617, 000	917, 951, 000	+ 40, 334, 000

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Note: Amounts as estimated and shown in the February 1975 budget document. Some items are indefinite in amount, and thus are subject to later reestimation.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD**

Agency and item (1)	New budget (obligational) authority, fiscal year 1975 (including pending supplementals) (2)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period <sup>1</sup> (3)	New budget (obligational) authority recommended in bill (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975 (5)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period (6)
<b>TITLE I</b>					
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					
<b>HOUSING PROGRAMS</b>					
Annual contributions for assisted housing (contract authority)-----		\$26, 063, 000, 000	\$26, 063, 000, 000	+ \$26, 063, 000, 000	
Increased limitation for annual contract authority-----		(662, 300, 000)	(662, 300, 000)	(+ 662, 300, 000)	
Rent supplement program (contract authority)-----			800, 000, 000	+ 800, 000, 000	+ \$800, 000, 000
Increased limitation for annual contract authority-----			(20, 000, 000)	(+ 20, 000, 000)	(+ 20, 000, 000)
Housing for the elderly or handicapped (limitation on loans)-----	<sup>2</sup> (\$215, 000, 000)	(215, 000, 000)	(300, 000, 000)	(+ 85, 000, 000)	(+ 85, 000, 000)

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See footnote at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued

Agency and item (1)	New budget (obligational) authority, fiscal year 1975 (including pending supplementals) (2)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period (3)	New budget (obligational) authority recommended in bill (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975 (5)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period (6)
TITLE I—Continued					
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Con.					
HOUSING PROGRAMS—Continued					
Housing payments.....	\$2, 300, 000, 000			-\$2, 300, 000, 000	
<i>Appropriation to liquidate contract authority</i> .....		(\$2, 245, 000, 000)	(\$2, 245, 000, 000)	(+2, 245, 000, 000)	
<i>Transition period</i> .....		(600, 000, 000)	(600, 000, 000)		
Payments for operation of low-income housing projects (contract authority).....		525, 000, 000	525, 000, 000	+525, 000, 000	
<i>Transition period</i> .....		80, 000, 000	80, 000, 000		
<i>Appropriation to liquidate contract authority</i> .....		(525, 000, 000)	(525, 000, 000)	(+525, 000, 000)	
<i>Transition period</i> .....		(80, 000, 000)	(80, 000, 000)		
Salaries and expenses, Housing programs.....			195, 116, 000	+195, 116, 000	+\$195, 116, 000
<i>Transition period</i> .....			49, 800, 000		+49, 800, 000
Salaries and expenses, Housing production and mortgage credit programs.....	13, 673, 000	14, 100, 000		-13, 673, 000	-14, 100, 000
<i>Transition period</i> .....		4, 265, 000			-4, 265, 000
Salaries and expenses, Housing management programs.....	24, 097, 000	28, 400, 000		-24, 097, 000	-28, 400, 000
<i>Transition period</i> .....		7, 225, 000			-7, 225, 000
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION					
Payment of participation sales insufficiencies.....	22, 883, 000	20, 935, 000	20, 935, 000	-1, 948, 000	
<i>Transition period</i> .....		5, 291, 000	5, 291, 000		
Total, Housing Programs.....	2, 360, 653, 000	26, 651, 435, 000	27, 604, 051, 000	+25, 243, 398, 000	+952, 616, 000
<i>Transition period</i> .....		96, 781, 000	135, 091, 000		38, 310, 000
COMMUNITY PLANNING AND DEVELOPMENT					
Community development grants.....	50, 000, 000	50, 000, 000	90, 000, 000	+40, 000, 000	+40, 000, 000
Contract authority.....	2, 179, 625, 000	2, 700, 000, 000	1, 736, 000, 000	-443, 625, 000	-964, 000, 000
Transfer of unexpended balance from the College housing loan fund (borrowing authority).....			(964, 000, 000)	(+964, 000, 000)	(+964, 000, 000)
<i>Appropriation to liquidate contract authority</i> .....	(2, 179, 625, 000)	(2, 700, 000, 000)	(2, 700, 000, 000)	(+520, 375, 000)	

See footnote at end of table.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued**

Agency and item  (1)	New budget (obligational) authority, fiscal year 1975 (including pending supplementals)  (2)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period <sup>1</sup>  (3)	New budget (obligational) authority recommended in bill  (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975  (5)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period  (6)
<b>TITLE I—Continued</b>					
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Con.</b>					
<b>COMMUNITY PLANNING AND DEVELOPMENT—Continued</b>					
Comprehensive planning grants.....	\$100,000,000	\$50,000,000	\$50,000,000	-\$50,000,000	-----
Urban renewal programs (contract authority).....	197,000,000	-----	-----	-197,000,000	-----
Appropriation to liquidate contract authority.....	(197,000,000)	-----	-----	(-197,000,000)	-----
Model cities programs.....	123,375,000	-----	-----	-123,375,000	-----
Salaries and expenses, Community planning and development programs.....	40,219,000	42,640,000	41,740,000	+1,521,000	-900,000
Transition period.....	-----	10,500,000	10,500,000	-----	-----

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<b>Total, Community Planning and Development.....</b>	<b>2,690,219,000</b>	<b>2,842,640,000</b>	<b>1,917,740,000</b>	<b>-772,479,000</b>	<b>-924,900,000</b>
Transition period.....	-----	10,500,000	10,500,000	-----	-----
<b>FEDERAL INSURANCE ADMINISTRATION</b>					
Flood insurance.....	50,000,000	75,000,000	75,000,000	+25,000,000	-----
Transition period.....	-----	18,750,000	18,750,000	-----	-----
<b>OFFICE OF INTERSTATE LAND SALES REGISTRATION</b>					
Interstate land sales.....	-----	2,726,000	2,726,000	+2,726,000	-----
Transition period.....	-----	645,000	645,000	-----	-----
<b>POLICY DEVELOPMENT AND RESEARCH</b>					
Research and technology.....	65,000,000	57,000,000	53,000,000	-12,000,000	-4,000,000
Transition period.....	-----	16,250,000	15,500,000	-----	-750,000
Salaries and expenses, Policy development and research.....	6,320,000	7,210,000	6,765,000	+445,000	-445,000
Transition period.....	-----	1,845,000	1,700,000	-----	-145,000
<b>Total, Policy Development and Research.....</b>	<b>71,320,000</b>	<b>64,210,000</b>	<b>59,765,000</b>	<b>-11,555,000</b>	<b>-4,445,000</b>
Transition period.....	-----	18,095,000	17,200,000	-----	-895,000

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See footnotes at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued

Agency and item (1)	New budget (obligational) authority, fiscal year 1975 (including pending supplementals) (2)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period <sup>1</sup> (3)	New budget (obligational) authority recommended in bill (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975 (5)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period (6)
<b>TITLE I—Continued</b>					
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Con.</b>					
<b>FAIR HOUSING AND EQUAL OPPORTUNITY</b>					
Fair housing and equal opportunity	\$11,887,000	\$12,735,000	\$12,735,000	+\$848,000	
Transition period		3,265,000	3,265,000		
<b>DEPARTMENTAL MANAGEMENT</b>					
General departmental management	5,547,000	5,905,000	5,905,000	+358,000	
Transition period		1,510,000	1,510,000		

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Salaries and expenses, Office of general counsel	3,548,000	3,765,000	4,964,000	+1,416,000	+\$1,199,000
Transition period		965,000	1,287,000		+322,000
Salaries and expenses, Office of inspector general	6,822,000	7,245,000	10,280,000	+3,458,000	+3,035,000
Transition period		1,805,000	2,615,000		+810,000
Administration and staff services	19,255,000	22,745,000	53,125,000	+33,870,000	+30,380,000
Transition period		5,785,000	12,803,000		+7,018,000
Regional management and services	29,234,000	28,795,000	36,032,000	+6,798,000	+7,237,000
Transition period		7,270,000	9,077,000		+1,807,000
<b>Total, Departmental Management</b>	<b>64,406,000</b>	<b>68,455,000</b>	<b>110,306,000</b>	<b>+45,900,000</b>	<b>+41,851,000</b>
Transition period		17,335,000	27,292,000		+9,957,000
<b>Total, Department of Housing and Urban Development</b>	<b>5,248,485,000</b>	<b>29,717,201,000</b>	<b>29,782,323,000</b>	<b>+24,533,838,000</b>	<b>+65,122,000</b>
Transition period		165,371,000	212,743,000		+47,372,000

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See footnote at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued

Agency and item (1)	New budget (obligational) authority, fiscal year 1975 (including pending supplementals) (2)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period <sup>1</sup> (3)	New budget (obligational) authority recommended in bill (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975 (5)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period (6)
<b>TITLE I—Continued</b>					
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Con.</b>					
<b>FUNDS APPROPRIATED TO THE PRESIDENT</b>					
<b>FEDERAL DISASTER ASSISTANCE ADMINISTRATION</b>					
Disaster relief	\$200,000,000	\$150,000,000	\$150,000,000	-\$50,000,000	
Transition period		37,500,000	37,500,000		

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<b>Total, Title I:</b>					
New budget (obligational) authority	5,448,485,000	29,867,201,000	29,932,323,000	+24,483,838,000	-\$65,122,000
Transition period		202,871,000	250,243,000		+47,372,000
Appropriations	(3,071,860,000)	(579,201,000)	(808,323,000)	(-2,263,537,000)	+229,122,000
Transition period		(122,871,000)	(170,243,000)		(+47,372,000)
Contract authority	(2,376,625,000)	(29,288,000,000)	(29,124,000,000)	(+26,747,375,000)	(-164,000,000)
Transition period		(80,000,000)	(80,000,000)		
Appropriations to liquidate contract authority	(2,376,625,000)	(5,470,000,000)	(5,470,000,000)	(+3,093,375,000)	
Transition period		(680,000,000)	(680,000,000)		
Increased limitation for annual contract authority		(682,300,000)	(682,300,000)	(+682,300,000)	+20,000,000

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See footnote at end of table.

Building and facilities	1,400,000	2,100,000	2,100,000		
Transition period		500,000	500,000		

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued**

Agency and item	New budget (obligational) authority, fiscal year 1975 (including pending supplementals)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period <sup>1</sup>	New budget (obligational) authority recommended in bill	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period
(1)	(2)	(3)	(4)	(5)	(6)
<b>TITLE II</b>					
<b>INDEPENDENT AGENCIES</b>					
<b>AMERICAN BATTLE MONUMENTS COMMISSION</b>					
Salaries and expenses.....	\$4, 779, 000	\$5, 012, 000	\$5, 012, 000	+ \$233, 000	
Transition period.....		1, 450, 000	1, 450, 000		
<b>CONSUMER PRODUCT SAFETY COMMISSION</b>					
Salaries and expenses.....	36, 954, 000	36, 595, 000	42, 790, 000	+ 5, 836, 000	+ \$6, 195, 000
Transition period.....		9, 148, 000	10, 697, 000		+ 1, 549, 000

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<b>DEPARTMENT OF DEFENSE—CIVIL CEMETERIAL EXPENSES, ARMY</b>					
Salaries and expenses.....	258, 000	5, 617, 000	5, 615, 000	+ 5, 357, 000	- 2, 000
Transition period.....		966, 000	966, 000		
<b>ENVIRONMENTAL PROTECTION AGENCY</b>					
Agency and regional management.....	57, 216, 000	65, 700, 000	65, 374, 000	+ 8, 158, 000	- 326, 000
Transition period.....		17, 000, 000	16, 923, 000		- 77, 000
Energy research and development.....	134, 000, 000	112, 000, 000	100, 000, 000	- 34, 000, 000	- 12, 000, 000
Transition period.....		21, 000, 000	21, 000, 000		
Research and development.....	<sup>3</sup> 170, 638, 000	163, 400, 000	170, 674, 000	+ 36, 000	+ 7, 274, 000
Transition period.....		43, 000, 000	42, 923, 000		- 77, 000
Abatement and control.....	283, 401, 000	339, 700, 000	370, 766, 000	+ 87, 365, 000	+ 31, 066, 000
Transition period.....		77, 500, 000	92, 639, 000		+ 15, 139, 000
<i>Appropriation to liquidate contract authority</i> .....	<i>(26, 000, 000)</i>	<i>(65, 000, 000)</i>	<i>(65, 000, 000)</i>	<i>(+ 39, 000, 000)</i>	
Transition period.....		<i>(19, 000, 000)</i>	<i>(19, 000, 000)</i>		
Enforcement.....	53, 340, 000	53, 900, 000	53, 606, 000	+ 266, 000	- 294, 000
Transition period.....		14, 000, 000	13, 931, 000		- 69, 000
Buildings and facilities.....	1, 400, 000	2, 100, 000	2, 100, 000	+ 700, 000	
Transition period.....		500, 000	500, 000		

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See footnotes at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued

Agency and item (1)	New budget (obligational) authority, fiscal year 1975 (including pending supplementals) (2)	Budget estimates of new budget (obligational) authority, fiscal year 1973 and transition period <sup>1</sup> (3)	New budget (obligational) authority recommended in bill (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975 (5)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period (6)
TITLE II—Continued	323,491,000	328,400,000	310,380,000	+21,382,000	+21,921,000
INDEPENDENT AGENCIES—Con.		43,000,000	43,637,000		-31,000
ENVIRONMENTAL PROTECTION AGENCY—Continued	130,838,000	189,700,000	130,914,000	+30,000	+1,354,000
Construction grants (appropriation to liquidate contract authority)-----	(\$1,400,000,000)	(\$500,000,000)	(\$500,000,000)	(-\$900,000,000)	-15,000,000
Transition period-----		(600,000,000)	(600,000,000)		-31,000
Scientific activities overseas (special foreign currency program)-----	91,318,000	89,300,000	82,314,000	+2,128,000	-330,000
Transition period-----		1,000,000	1,000,000		
Total, Environmental Protection Agency-----	699,995,000	742,800,000	768,520,000	+68,525,000	+\$25,720,000
Transition period-----		174,000,000	188,916,000		+14,916,000

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EXECUTIVE OFFICE OF THE PRESIDENT					
Council on Environmental Quality and Office of Environmental Quality-----	2,500,000	2,750,000	2,736,000	+236,000	-14,000
Transition period-----		700,000	697,000		-3,000
GENERAL SERVICES ADMINISTRATION					
Consumer Information Center-----	996,000	1,056,000	1,054,000	+58,000	-2,000
Transition period-----		264,000	264,000		
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE					
Office of Consumer Affairs-----	1,465,000	1,488,000	1,488,000	+23,000	
Transition period-----		385,000	372,000		-13,000
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
Research and development-----	2,331,015,000	2,678,380,000	2,628,980,000	+297,965,000	-49,400,000
Transition period-----		730,600,000	700,600,000		-30,000,000
Construction of facilities-----	140,155,000	84,620,000	82,130,000	-58,025,000	-2,490,000
Transition period-----		14,500,000	10,750,000		-3,750,000
Research and program management-----	759,975,000	776,000,000	775,512,000	+15,537,000	-488,000
Transition period-----		213,800,000	213,678,000		-122,000
Total, National Aeronautics and Space Administration-----	3,231,145,000	3,539,000,000	3,486,622,000	+255,477,000	-52,378,000
Transition period-----		958,900,000	925,028,000		-33,872,000

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See footnotes at end of table.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued**

Agency and item (1)	New budget (obligational) authority, fiscal year 1975 (including pending supplementals) (2) '000	Budget estimates of new budget (obligational) authority, fiscal year 1973 and transition period <sup>1</sup> (3) '000	New budget (obligational) authority recommended in bill (4) '000	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975 (5) '000	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period (6) '000
<b>TITLE II—Continued</b>					
<b>INDEPENDENT AGENCIES—Con.</b>					
<b>NATIONAL COMMISSION ON WATER QUALITY</b>					
Salaries and expenses.....	\$6,800,000			-\$6,800,000	
<b>NATIONAL SCIENCE FOUNDATION</b>					
Salaries and expenses.....	4,711,570,000	\$751,400,000	\$707,100,000	-4,470,000	-\$44,300,000
Transition period.....		167,200,000	167,134,000		-66,000
Scientific activities (special foreign currency program).....	4,850,000	4,000,000	4,000,000	-850,000	
Transition period.....		500,000	500,000		
<b>Total, National Science Foundation</b>	<b>716,420,000</b>	<b>755,400,000</b>	<b>711,100,000</b>	<b>-5,320,000</b>	<b>-44,300,000</b>
Transition period.....		167,700,000	167,634,000		-66,000

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<b>SELECTIVE SERVICE SYSTEM</b>					
Salaries and expenses.....	45,000,000	47,887,000	40,000,000	-5,000,000	-7,887,000
Transition period.....		9,300,000	8,300,000		-1,000,000
<b>VETERANS ADMINISTRATION</b>					
Compensation and pensions.....	7,539,400,000	7,499,700,000	7,499,700,000	-39,700,000	
Transition period.....		1,885,400,000	1,885,400,000		
Readjustment benefits.....	4,550,738,000	4,214,475,000	4,214,475,000	-336,263,000	
Transition period.....		854,472,000	854,472,000		
Veterans insurance and indemnities.....	8,750,000	6,600,000	6,600,000	-2,150,000	
Transition period.....		2,450,000	2,450,000		
Medical care.....	3,317,520,000	3,667,866,000	3,666,711,000	+349,191,000	-1,155,000
Transition period.....		949,702,000	949,413,000		-289,000
Medical and prosthetic research.....	91,377,000	95,000,000	95,000,000	+3,623,000	
Transition period.....		24,714,000	24,714,000		
Assistance for health manpower training institutions.....	10,000,000	30,000,000	30,000,000	+20,000,000	
Transition period.....		8,332,000	8,332,000		
Medical administration and miscellaneous operating expenses.....	37,508,000	38,528,000	38,528,000	+1,020,000	
Transition period.....		10,230,000	10,230,000		

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See footnotes at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued

Agency and item (1)	New budget (obligational) authority, fiscal year 1975 (including pending supplementals) (2)	Budget estimates of new budget (obligational) authority, fiscal year 1973 and transition period <sup>1</sup> (3)	New budget (obligational) authority recommended in bill (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975 (5)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period (6)
TITLE II—Continued					
INDEPENDENT AGENCIES—Con.					
VETERANS ADMINISTRATION—Continued					
General operating expenses.....	\$432, 028, 000	\$452, 957, 000	\$462, 300, 000	+\$30, 272, 000	+\$9, 343, 000
Transition period.....		112, 844, 000	112, 164, 000		- 680, 000
Construction, major projects.....	251, 127, 000	297, 464, 000	299, 924, 000	+48, 797, 000	+2, 460, 000
Transition period.....		15, 860, 000	15, 860, 000		
Construction, minor projects.....	51, 894, 000	106, 426, 000	106, 426, 000	+54, 532, 000	
Transition period.....		16, 490, 000	16, 490, 000		

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Grants for construction of State extended care facilities.....	9, 700, 000	10, 000, 000	10, 000, 000	+300, 000	
Grants to the Republic of the Philippines.....	2, 050, 000	2, 100, 000	2, 100, 000	+50, 000	
Transition period.....		525, 000	525, 000		
Payment of participation sales insufficiencies.....	1, 828, 000	3, 148, 000		-1, 828, 000	-3, 148, 000
Loan guaranty revolving fund (limitation on obligations).....	(500, 000, 000)	(550, 000, 000)	(550, 000, 000)	(+50, 000, 000)	
Transition period.....		(150, 000, 000)	(150, 000, 000)		
Vocational rehabilitation revolving fund.....	97, 000			-97, 000	
Total, Veterans Administration.....	16, 304, 017, 000	16, 424, 264, 000	16, 431, 764, 000	+127, 747, 000	+7, 500, 000
Transition period.....		3, 881, 019, 000	3, 880, 050, 000		-969, 000
Total, Title II:					
New budget (obligational) authority.....	21, 050, 329, 000	21, 561, 869, 000	21, 496, 701, 000	+446, 372, 000	-65, 168, 000
Transition period.....		5, 203, 832, 000	5, 184, 374, 000		-19, 458, 000
Appropriations to liquidate contract authority.....	(1, 426, 000, 000)	(565, 000, 000)	(565, 000, 000)	(-861, 000, 000)	
Transition period.....		(619, 000, 000)	(619, 000, 000)		

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See footnote at end of table.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued**

Agency and item  (1)	New budget (obligational) authority, fiscal year 1975 (including pending supplementals)  (2)	Budget estimates of new budget (obligational) authority, fiscal year 1973 and transition period <sup>1</sup>  (3)	New budget (obligational) authority recommended in bill  (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975  (5)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period  (6)
<b>TITLE III</b>					
<b>CORPORATIONS</b>					
<i>Department of Housing and Urban Development:</i>					
<i>Government National Mortgage Association: Administrative expenses</i>	(8, 113, 000)	(1, 240, 000)	(\$1, 240, 000)	(-6, 873, 000)	-----
<i>Transition period</i>	-----	(350, 000)	(350, 000)	-----	-----
<i>Federal Housing Administration:</i>					
<i>Administrative expenses</i>	(\$14, 230, 000)	(\$16, 145, 000)	-----	(-\$14, 230, 000)	(-\$16, 145, 000)
<i>Transition period</i>	-----	(3, 945, 000)	-----	-----	(-3, 945, 000)
<i>Nonadministrative expenses</i>	(190, 500, 000)	(193, 962, 000)	-----	(-190, 500, 000)	(-193, 962, 000)
<i>Transition period</i>	-----	(48, 280, 000)	-----	-----	(-48, 280, 000)
<i>Federal Home Loan Bank Board:</i>					
<i>Administrative expenses</i>	(10, 677, 000)	(14, 765, 000)	(14, 665, 000)	(+3, 988, 000)	(-100, 000)
<i>Transition period</i>	-----	(3, 680, 000)	(3, 650, 000)	-----	(-30, 000)
<i>Nonadministrative expenses</i>	(20, 936, 000)	(19, 643, 000)	(19, 585, 000)	(-1, 351, 000)	(-58, 000)
<i>Transition period</i>	-----	(4, 906, 000)	(4, 900, 000)	-----	(-6, 000)
<i>Federal Savings and Loan Insurance Corporation:</i>					
<i>Administrative expenses</i>	(772, 000)	(830, 000)	(820, 000)	(+48, 000)	(-10, 000)
<i>Transition period</i>	-----	(206, 000)	(203, 000)	-----	(-3, 000)
<b>Total, Title III, administrative and nonadministrative expenses</b>					
	(245, 223, 000)	(246, 585, 000)	(36, 310, 000)	(-208, 918, 000)	(-210, 275, 000)
<i>Transition period</i>	-----	(61, 367, 000)	(9, 103, 000)	-----	(-52, 264, 000)

See footnotes at end of table.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued**

Agency and item  (1)	New budget (obligational) authority, fiscal year 1975 (including pending supplementals)  (2)	Budget estimates of new budget (obligational) authority, fiscal year 1973 and transition period <sup>1</sup>  (3)	New budget (obligational) authority recommended in bill  (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975  (5)	Budget estimates of new budget (obligational) authority, fiscal year 1976 and transition period  (6)
<b>TITLE III—Continued</b>					
<b>CORPORATIONS—Continued</b>					
Grand total, Titles I, II, and III:					
New budget (obligational) authority	\$26,498,814,000	\$51,429,070,000	\$51,429,024,000	+\$24,930,210,000	-\$46,000
Transition period		5,406,703,000	5,434,617,000		+27,914,000

Appropriations	(24,122,189,000)	(22,141,070,000)	(22,305,024,000)	(-1,817,165,000)	(+163,954,000)
Transition period		(5,326,703,000)	(5,354,617,000)		(+27,914,000)
Contract authority	(2,376,625,000)	(29,288,000,000)	(29,124,000,000)	(+26,747,375,000)	(-164,000,000)
Transition period		(80,000,000)	(80,000,000)		
Appropriations to liquidate contract authority	(3,802,625,000)	(6,035,000,000)	(6,035,000,000)	(+2,232,375,000)	
Transition period		(1,299,000,000)	(3,299,000,000)		
Increased limitation for annual contract authority		(662,300,000)	(682,300,000)	(+682,300,000)	(+20,000,000)
Limitation on corporate funds to be expended	(245,228,000)	(246,585,000)	(36,310,000)	(-208,918,000)	(-210,275,000)
Transition period		(61,367,000)	(9,103,000)		(-52,264,000)

<sup>1</sup> Public Law 93-344 changes the fiscal year to October 1 to September 30 beginning in fiscal year 1977 and establishes the transition period as July 1, 1976 to September 30, 1976.

<sup>2</sup> Public Law 93-554 set the limitation on loans as the unobligated balance in the Housing for the Elderly or Handicapped fund at the end of December 1974 plus \$100,000,000. The unobligated balance was estimated to be \$115,000,000.

<sup>3</sup> Excludes \$5,030,000 transferred to Operating Expenses, Energy Research and Development Administration pursuant to Public Law 93-438.

<sup>4</sup> Excludes \$51,730,000 transferred to Operating Expenses, Energy Research and Development Administration pursuant to Public Law 93-438.

# Ninety-fourth Congress of the United States of America

## AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday, the fourteenth day of January,  
one thousand nine hundred and seventy-five*

### An Act

Making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending June 30, 1976, the period ending September 30, 1976, and for other purposes, namely:*

#### TITLE I

#### DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

#### HOUSING PROGRAMS

#### EMERGENCY HOMEOWNERS' RELIEF FUND

For emergency mortgage relief payments and for other expenses of the Emergency Homeowners' Relief Fund, as authorized by title I of the Emergency Housing Act of 1975 (Public Law 94-50), \$35,000,000, to remain available until September 30, 1976.

#### STATE HOUSING FINANCE AND DEVELOPMENT AGENCIES

For interest grant payments pursuant to section 802(c)(2) of the Housing and Community Development Act of 1974 (88 Stat. 722), \$15,000,000, to remain available until September 30, 1976: *Provided*, that the total of contracts for annual payments entered into under such section shall not exceed \$15,000,000: *Provided further*, That the total new budget authority obligated under such contracts entered into after June 30, 1975, shall not exceed \$600,000,000.

#### ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

The additional amount of contracts for annual contributions, not otherwise provided for, as authorized by section 5 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437c), entered into after June 30, 1975, shall not exceed \$662,300,000, which amount shall be in addition to balances of authorization heretofore made available for such contracts: *Provided*, That the total new budget authority obligated under such contracts entered into after June 30, 1975, shall not exceed \$17,000,000,000, which amount shall not include budget authority obligated under balances of authorization heretofore made available: *Provided further*, That at least \$50,000,000 of the new contract authority herein made available shall be used only for contracts for annual contributions to assist in financing the development or acquisition of low-income housing projects to be owned by public

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housing agencies other than under section 8 of the above Act: *Provided further*, That not less than 50 per centum of the funds made available by this Act which are used pursuant to section 8 of the above Act shall be allocated to contracts to make assistance payments with respect to newly constructed or substantially rehabilitated housing: *And provided further*, That in fiscal year 1976 and the period ending September 30, 1976, the fair market rent basis of contracts approved pursuant to section 8 of the above Act shall not exceed by more than 10 per centum in the aggregate, or 20 per centum in individual market areas, those published in the Federal Register through September 8, 1975.

RENT SUPPLEMENTAL PROGRAM

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s) is increased by \$20,000,000.

HOUSING FOR THE ELDERLY OR HANDICAPPED

The limitation on the aggregate loans that may be made under section 202 of the Housing Act of 1959, as amended, from the fund authorized by subsection (a) (4) of such section, is hereby established for the fiscal year 1976 through the period ending September 30, 1976, at \$375,000,000 in accordance with paragraph (C) of such subsection, which funds shall be available only to qualified nonprofit sponsors for the purpose of providing 100 per centum loans for the development of housing for the elderly or handicapped, with any cash equity or other financial commitments imposed as a condition of loan approval to be returned to the sponsor if sustaining occupancy is achieved in a reasonable period of time: *Provided*, That the full amount shall be available for permanent financing (including construction financing) for housing projects for the elderly or handicapped.

HOUSING PAYMENTS

For the payment of annual contributions, not otherwise provided for, in accordance with section 5 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437c); for payments authorized by title IV of the Housing Act of 1950, as amended (12 U.S.C. 1749 et seq.); for rent supplement payments authorized by section 101 of the Housing and Urban Development Act of 1965, as amended (12 U.S.C. 1701s); and for payments as authorized by sections 235 and 236, of the National Housing Act, as amended (12 U.S.C. 1715z, 1715z-1), \$2,245,000,000.

For "Housing payments" for the period July 1, 1976, through September 30, 1976, \$600,000,000.

PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS

For annual contributions to public housing agencies for the payment of operating subsidies for low-income housing projects as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), \$535,000,000: *Provided*, That the aggregate amount of contracts for annual contributions entered into for such payments shall not exceed \$535,000,000.

For "Payments for operation of low-income housing projects" for the period July 1, 1976, through September 30, 1976, \$80,000,000:

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*Provided*, That the aggregate amount of contracts for such payments shall not exceed \$80,000,000.

SALARIES AND EXPENSES, HOUSING PROGRAMS

For necessary administrative expenses, not otherwise provided for, and for nonadministrative expenses as classified by section 1 of the National Housing Act, as amended (12 U.S.C. 1701), in carrying out programs of housing production and mortgage credit and housing management, \$199,000,000, of which \$158,650,000 shall be provided by transfer from the various funds of the Federal Housing Administration: *Provided*, That administrative expenses in connection with the Revolving fund (liquidating programs) shall be exclusive of expenses necessary in the case of defaulted obligations to protect the interests of the Government.

For "Salaries and expenses, housing programs" for the period July 1, 1976, through September 30, 1976, \$49,800,000, of which \$39,850,000 shall be provided by transfer from the various funds of the Federal Housing Administration.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

EMERGENCY MORTGAGE PURCHASE ASSISTANCE

The total amount of purchases and commitments authorized to be made pursuant to section 313 of the National Housing Act, as amended (12 U.S.C. 1723e; 88 Stat. 1364; Public Law 94-50), shall not exceed \$5,000,000,000 outstanding at any one time, which amount shall be in addition to balances of authorization heretofore made available for purchases and commitments pursuant to said section and which shall continue available after October 18, 1975: *Provided*, That the Association may borrow from the Secretary of the Treasury in accordance with said section, in such amounts as are necessary to carry out the purposes and requirements of said section as authorized herein.

PAYMENT OF PARTICIPATION SALES INSUFFICIENCIES

For the payment of such insufficiencies as may be required by the Government National Mortgage Association, as trustee, on account of outstanding beneficial interests or participations in assets of the Department of Housing and Urban Development (including the Government National Mortgage Association) authorized by the Independent Offices and Department of Housing and Urban Development Appropriation Act, 1968, to be issued pursuant to section 302(c) of the Federal National Mortgage Association Charter Act, as amended, \$20,935,000.

For "Payment of participation sales insufficiencies" for the period July 1, 1976, through September 30, 1976, \$5,291,000.

COMMUNITY PLANNING AND DEVELOPMENT

REHABILITATION LOAN FUND

For the revolving fund established pursuant to section 312 of the Housing Act of 1964, as amended (42 U.S.C. 1452b), \$50,000,000, to remain available until August 22, 1976.

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COMMUNITY DEVELOPMENT GRANTS AND TRANSFER OF UNEXPENDED  
BALANCE

For contracts with and payments to States and units of general local government and for related expenses, not otherwise provided for, necessary for carrying out a community development grant program as authorized by Title I of the Housing and Community Development Act of 1974 (P.L. 93-383, 88 Stat. 633), \$2,700,000,000, of which \$964,000,000 shall be derived by transfer from the unexpended balance of budget authority provided by section 401(d)(1) of the Housing Act of 1950, as amended (12 U.S.C. 1749(d)(1)), which shall be treated the same as other budget authority provided by this paragraph, to remain available until September 30, 1978.

For grants to States and units of general local government, to be used only for expenses necessary for carrying out a community development grant program authorized by Section 106(d)(2) of Title I of the Housing and Community Development Act of 1974, \$52,000,000, to remain available until September 30, 1978.

For grants to units of general local government for urgent community development needs pursuant to section 103(b) of Title I of the Housing and Community Development Act of 1974, \$50,000,000, to remain available until September 30, 1978.

COMPREHENSIVE PLANNING GRANTS

For comprehensive planning grants as authorized by section 701 of the Housing Act of 1954, as amended (40 U.S.C. 461), \$75,000,000, to remain available until expended.

SALARIES AND EXPENSES, COMMUNITY PLANNING AND DEVELOPMENT  
PROGRAMS

For necessary administrative expenses of programs of community planning and development, not otherwise provided for, \$41,740,000.

For "Salaries and expenses, community planning and development programs" for the period July 1, 1976, through September 30, 1976, \$10,500,000.

FEDERAL INSURANCE ADMINISTRATION

FLOOD INSURANCE

For necessary administrative expenses, not otherwise provided for, in carrying out the National Flood Insurance Act of 1968, as amended (42 U.S.C. Chap. 50), \$75,000,000.

For "Flood insurance" for the period July 1, 1976, through September 30, 1976, \$18,750,000.

OFFICE OF INTERSTATE LAND SALES REGISTRATION

INTERSTATE LAND SALES

For necessary expenses of carrying out the Interstate Land Sales Full Disclosure Act (15 U.S.C. 1720), not otherwise provided for, \$2,726,000.

For "Interstate land sales" for the period July 1, 1976, through September 30, 1976, \$645,000.

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POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970, as amended, (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, \$53,000,000, to remain available until September 30, 1977: *Provided*, That \$400,000 of the foregoing amount shall be used only for a grant to the Housing Assistance Council: *Provided further*, That \$1,000,000 of the foregoing amount shall be used only for mobile home construction and safety standard activities.

For "Research and technology" for the period July 1, 1976, through September 30, 1976, \$15,500,000, to remain available until September 30, 1977.

SALARIES AND EXPENSES, POLICY DEVELOPMENT AND RESEARCH

For necessary administrative expenses of programs of policy development and research, not otherwise provided for, \$6,765,000.

For "Salaries and expenses, policy development and research" for the period July 1, 1976, through September 30, 1976, \$1,700,000.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING AND EQUAL OPPORTUNITY

For expenses necessary to carry out the functions of the Secretary pursuant to title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601), and other equal opportunity and fair housing programs authorized by law, not otherwise provided for, \$12,735,000.

For "Fair housing and equal opportunity" for the period July 1, 1976, through September 30, 1976, \$3,265,000.

DEPARTMENTAL MANAGEMENT

GENERAL DEPARTMENTAL MANAGEMENT

For necessary administrative expenses of the Secretary, not otherwise provided for, in overall program planning and direction in the Department, including not to exceed \$2,500 for official reception and representation expenses, \$5,905,000.

For "General departmental management" for the period July 1, 1976, through September 30, 1976, including not to exceed \$625 for official reception and representation expenses, \$1,510,000.

SALARIES AND EXPENSES, OFFICE OF GENERAL COUNSEL

For necessary expenses of the Office of General Counsel, not otherwise provided for, \$5,089,000, of which \$1,750,000 shall be provided by transfer from the various funds of the Federal Housing Administration, as provided by the National Housing Act (12 U.S.C. 1701).

For "Salaries and expenses, Office of General Counsel" for the period July 1, 1976, through September 30, 1976, \$1,319,000, of which

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\$465,000 shall be provided by transfer from the various funds of the Federal Housing Administration, as provided by the National Housing Act (12 U.S.C. 1701).

SALARIES AND EXPENSES, OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General, not otherwise provided for, \$10,280,000, of which \$3,035,000 shall be provided by transfer from the various funds of the Federal Housing Administration, as provided by the National Housing Act (12 U.S.C. 1701).

For "Salaries and expenses, Office of Inspector General" for the period July 1, 1976, through September 30, 1976, \$2,615,000, of which \$810,000 shall be provided by transfer from the various funds of the Federal Housing Administration, as provided by the National Housing Act (12 U.S.C. 1701).

ADMINISTRATION AND STAFF SERVICES

For administrative expenses necessary in providing general administration and staff services within the Department, not otherwise provided for, \$53,125,000, of which \$31,092,000 shall be provided by transfer from the various funds of the Federal Housing Administration, as provided by the National Housing Act (12 U.S.C. 1701).

For "Administration and staff services" for the period July 1, 1976, through September 30, 1976, \$12,803,000, of which \$7,195,000 shall be provided by transfer from the various funds of the Federal Housing Administration, as provided by the National Housing Act (12 U.S.C. 1701).

REGIONAL MANAGEMENT AND SERVICES

For necessary administrative expenses, not otherwise provided for, of management and program coordination in the regional offices of the Department, \$40,500,000, of which \$15,580,000 shall be provided by transfer from the various funds of the Federal Housing Administration, as provided by the National Housing Act (12 U.S.C. 1701).

For "Regional management and services" for the period July 1, 1976, through September 30, 1976, \$10,000,000, of which \$3,905,000 shall be provided by transfer from the various funds of the Federal Housing Administration, as provided by the National Housing Act (12 U.S.C. 1701).

FUNDS APPROPRIATED TO THE PRESIDENT

FEDERAL DISASTER ASSISTANCE ADMINISTRATION

DISASTER RELIEF

For expenses necessary to carry out the functions of the Department of Housing and Urban Development under the Disaster Relief Act of 1970, as amended, the Disaster Relief Act of 1974, and Reorganization Plan No. 1 of 1973, authorizing assistance to States and local governments, \$150,000,000, to remain available until expended: *Provided*, That not to exceed 3 per centum of the foregoing amount shall be available for administrative expenses.

For "Disaster relief" for the period July 1, 1976, through September 30, 1976, \$37,500,000, to remain available until expended: *Provided*, That not to exceed 3 per centum of the foregoing amount shall be available for administrative expenses.

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TITLE II

INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, including the acquisition of land or interest in land in foreign countries; purchase and repair of uniforms for caretakers of national cemeteries and monuments, outside of the United States and its territories and possessions; not to exceed \$67,000 for expenses of travel; rent of office and garage space in foreign countries; purchase (one for replacement only) and hire of passenger motor vehicles; and insurance of official motor vehicles in foreign countries when required by law of such countries; \$5,012,000: *Provided*, That where station allowance has been authorized by the Department of the Army for officers of the Army serving the Army at certain foreign stations, the same allowance shall be authorized for officers of the Armed Forces assigned to the Commission while serving at the same foreign stations, and this appropriation is hereby made available for the payment of such allowance: *Provided further*, That when traveling on business of the Commission, officers of the Armed Forces serving as members or as secretary of the Commission may be reimbursed for expenses as provided for civilian members of the Commission: *Provided further*, That the Commission shall reimburse other Government agencies, including the Armed Forces, for salary, pay, and allowances of personnel assigned to it.

For "Salaries and expenses" for the period July 1, 1976, through September 30, 1976, \$1,450,000.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Consumer Product Safety Commission, including rent in the District of Columbia and hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109 but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18, and not to exceed \$800 for official reception and representation, \$41,820,000: *Provided*, That funds provided by this appropriation for laboratories shall be available only for the acquisition or conversion of existing laboratories.

For necessary expenses of the "Consumer Product Safety Commission" for the period July 1, 1976, through September 30, 1976, including rent in the District of Columbia and hire of passenger vehicles, services as authorized by 5 U.S.C. 3109 but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18, and not to exceed \$200 for official reception and representation, \$10,355,000.

None of the funds provided to the Consumer Product Safety Commission by this Act may be used for the preparation or enforcement of regulations to restrict the sale of firearms, ammunition or components thereof.

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DEPARTMENT OF DEFENSE—CIVIL  
CEMETERIAL EXPENSES, ARMY  
SALARIES AND EXPENSES

For necessary expenses, as authorized by law, of maintenance, operation, and improvement of the cemetery at the Soldiers' and Airmen's Home and Arlington National Cemetery, including the purchase of three passenger motor vehicles for replacement only, \$5,615,000, to remain available until expended: *Provided*, That reimbursement shall be made to the applicable military appropriation for the pay and allowances of any military personnel performing services primarily for the purposes of this appropriation.

For "Salaries and expenses" for the period July 1, 1976, through September 30, 1976, \$966,000, to remain available until expended.

ENVIRONMENTAL PROTECTION AGENCY  
AGENCY AND REGIONAL MANAGEMENT

For agency and regional management expenses, including official, reception and representation expenses (not to exceed \$3,500); hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18; purchase of reprints; library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; \$65,374,000; including \$5,000,000 to provide for the preparation of Environmental Impact Statements as required by section 102(2)(C) of the National Environmental Policy Act on all proposed actions by the Environmental Protection Agency, except where prohibited by law.

For "Agency and regional management" for the period July 1, 1976, through September 30, 1976, \$16,923,000, of which not to exceed \$875 may be for official reception and representation expenses.

ENERGY RESEARCH AND DEVELOPMENT

For energy research and development activities, including hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; uniforms, or allowances therefor, as authorized by sections 5901-5902, United States Code, title 5; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate of GS-18; purchase of reprints; library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; \$100,000,000, to remain available until expended.

For "Energy research and development" for the period July 1, 1976, through September 30, 1976, \$21,000,000, to remain available until expended.

RESEARCH AND DEVELOPMENT

For research and development activities, including hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services

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as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate of GS-18; purchase of reprints; library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; \$170,674,000, to remain available until expended.

For "Research and development" for the period July 1, 1976, through September 30, 1976, \$42,923,000, to remain available until expended.

#### ABATEMENT AND CONTROL

For abatement and control activities, including hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18; purchase of reprints; library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; to remain available until expended, \$375,766,000, and for liquidation of obligations incurred in carrying out section 208 of the Federal Water Pollution Control Act, as amended, \$65,000,000, to remain available until expended.

For "Abatement and control" for the period July 1, 1976, through September 30, 1976, \$92,639,000, to remain available until expended, and for liquidation of obligations incurred in carrying out section 208 of the Federal Water Pollution Control Act, as amended, \$19,000,000, to remain available until expended.

#### ENFORCEMENT

For enforcement activities, including hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18; purchase of reprints; library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; \$53,606,000.

For "Enforcement" for the period July 1, 1976, through September 30, 1976, \$13,931,000.

#### BUILDINGS AND FACILITIES

For construction, repair, improvement, extension, alteration, and purchase of fixed equipment of facilities of or used by the Environmental Protection Agency, \$2,100,000, to remain available until expended.

For "Buildings and facilities" for the period July 1, 1976, through September 30, 1976, \$500,000, to remain available until expended.

#### CONSTRUCTION GRANTS

For liquidation of obligations incurred pursuant to authority contained in section 203 of the Federal Water Pollution Control Act, as amended, \$500,000,000, to remain available until expended.

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For liquidation of obligations, "Construction grants" for the period July 1, 1976, through September 30, 1976, \$600,000,000, to remain available until expended.

SCIENTIFIC ACTIVITIES OVERSEAS (SPECIAL FOREIGN CURRENCY PROGRAM)

For payments in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States, for necessary expenses of the Environmental Protection Agency in the conduct of scientific activities overseas in connection with environmental pollution, as authorized by law, \$4,000,000, to remain available until expended: *Provided*, That this appropriation shall be available in addition to other operations to such Agency, for payments in the foregoing currencies.

For "Scientific activities overseas (special foreign currency program)" for the period July 1, 1976, through September 30, 1976, \$670,000, to remain available until expended.

GENERAL PROVISION

Not to exceed 7 per centum of any appropriation made available to the Environmental Protection Agency by this Act (except appropriations for "Construction Grants") may be transferred to any other such appropriation.

No funds provided for the Environmental Protection Agency by this Act may be used for any Federal insecticide, fungicide, or rodenticide activity after September 30, 1975, that is not authorized by law.

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

For expenses necessary for the Council on Environmental Quality and the Office of Environmental Quality, in carrying out their functions under the National Environmental Policy Act of 1969 (Public Law 91-190) and the National Environmental Improvement Act of 1970 (Public Law 91-224), including official reception and representation expenses (not to exceed \$1,000), hire of passenger vehicles, and support of the Citizens' Advisory Committee on Environmental Quality, \$2,736,000.

For the "Council on Environmental Quality and Office of Environmental Quality" for the period July 1, 1976, through September 30, 1976, including official reception and representation expenses (not to exceed \$250), hire of passenger vehicles and support of the Citizens' Advisory Committee on Environmental Quality, \$697,000.

GENERAL SERVICES ADMINISTRATION

CONSUMER INFORMATION CENTER

For necessary expenses of the Consumer Information Center, including services authorized by 5 U.S.C. 3109, \$1,054,000.

For "Consumer Information Center" for the period July 1, 1976, through September 30, 1976, \$264,000.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF CONSUMER AFFAIRS

For necessary expenses of the Office of Consumer Affairs, including services authorized by 5 U.S.C. 3109, \$1,488,000.

For "Office of Consumer Affairs" for the period July 1, 1976, through September 30, 1976, including services authorized by 5 U.S.C. 3109, \$372,000.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

For necessary expenses, not otherwise provided for, including research, development, operations, services, minor construction, maintenance, repair, rehabilitation and modification of real and personal property; tracking and data relay satellite services as authorized by law and purchase, hire, maintenance, and operation of other than administrative aircraft, necessary for the conduct and support of aeronautical and space research and development activities of the National Aeronautics and Space Administration, \$2,677,380,000, to remain available until expended.

For "Research and development," to be available July 1, 1976, \$700,600,000, to remain available until expended.

CONSTRUCTION OF FACILITIES

For construction, rehabilitation and modification of facilities, minor construction of new facilities and additions to existing facilities, and for facility planning and design not otherwise provided, for the National Aeronautics and Space Administration, and for the acquisition or condemnation of real property, as authorized by law, \$82,130,000, to remain available for obligation until September 30, 1978: *Provided*, That, notwithstanding the limitation on the availability of funds appropriated under this head by this appropriation act, when any activity has been initiated by the incurrence of obligations therefor, the amount available for such activity shall remain available until expended, except that this provision shall not apply to the amounts appropriated pursuant to the authorization for rehabilitation and modification of facilities, minor construction of new facilities and additions to existing facilities, and facility planning and design.

For "Construction of facilities," to be available July 1, 1976, \$10,750,000, to remain available for obligation until September 30, 1979.

RESEARCH AND PROGRAM MANAGEMENT

For necessary expenses of research in Government laboratories, management of programs and other activities of the National Aeronautics and Space Administration, not otherwise provided for, including uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); awards; purchase (not to exceed one, for replacement only of one or more existing aircraft, at least one of which shall be an administrative aircraft, which existing aircraft may be exchanged in part payment), hire, maintenance and operation of administrative aircraft; purchase (not to exceed ten for replacement only) and hire

of passenger motor vehicles; and maintenance and repair of real and personal property, and not in excess of \$25,000 per project for construction of new facilities and additions to existing facilities, and not in excess of \$50,000 per project for rehabilitation and modification of facilities; \$775,512,000: *Provided*, That contracts may be entered into under this appropriation for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year: *Provided further*, That not to exceed \$35,000 of the foregoing amount shall be available for scientific consultations or extraordinary expense, to be expended upon the approval or authority of the Administrator and his determination shall be final and conclusive.

For "Research and program management," for the period July 1, 1976, through September 30, 1976, \$213,678,000.

#### NATIONAL SCIENCE FOUNDATION

##### SALARIES AND EXPENSES

For expenses necessary to carry out the purposes of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875), title IX of the National Defense Education Act of 1958 (42 U.S.C. 1876-1879), and the Act to establish a National Medal of Science (42 U.S.C. 1880-1881), including award of graduate fellowships; services as authorized by 5 U.S.C. 3109; purchase of three aircraft; maintenance and operation of aircraft and purchase of flight services for research support; hire of passenger motor vehicles; not to exceed \$5,000 for official reception and representation expenses; not to exceed \$41,000,000 for program development and management; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); rental of conference rooms in the District of Columbia; and reimbursement of the General Services Administration for security guard services; \$710,000,000, to remain available until September 30, 1977: *Provided*, That of the foregoing total amount not more than \$6,000,000 shall be used for Science Information Activities; not more than \$60,000,000 shall be available for Research Applied to National Needs, of which not more than \$24,000,000 shall be used for the Environmental Research Program in RANN including not more than \$4,500,000 for earthquake engineering; not more than \$50,000,000 shall be used for Science Education programs in addition to funds available for such programs and deferred in fiscal year 1975, and not more than \$1,000,000 shall be used for a program of Ethical and Human Value Implications; not more than \$15,000,000 shall be used for Graduate Student Support; not more than \$4,500,000 shall be used for Intergovernmental Science and Research Utilization, of which not more than \$2,500,000 shall be for Intergovernmental Science; and no funds shall be used for Institutional Improvement for Science; or for Instructional Improvement Programs of the Science Education Improvement activity: *Provided further*, That of the foregoing amounts, funds available to meet minima authorized by any other act shall be available only to the extent such funds are not in excess of amounts provided herein: *Provided further*, That unless otherwise specified by this appropriation, the ratio of amounts made available under this Act for a program or minima to the amounts specified for a program or minima in any other Act, for the activity for which the limitation applies, shall not exceed the ratio that the total funds appropriated in this Act bear to the total funds authorized in such other Act, for the activity for

which the limitation applies: *Provided further*, That receipts for scientific support services and materials furnished by the National Research Centers may be credited to this appropriation: *Provided further*, That if an institution of higher education receiving funds hereunder determines after affording notice and opportunity for hearing to an individual attending, or employed by, such institution, that such individual has, after the date of enactment of this Act, willfully refused to obey a lawful regulation or order of such institution and that such refusal was of a serious nature and contributed to the disruption of the administration of such institution, then the institution shall deny any further payment to, or for the benefit of, such individual.

For "Salaries and expenses" for the period July 1, 1976, through September 30, 1976, \$167,134,000, to remain available until September 30, 1977: *Provided*, That the provisions of that paragraph next preceding this paragraph shall be applicable in the same manner and to the same extent as if such period were a fiscal year.

SCIENTIFIC ACTIVITIES (SPECIAL FOREIGN CURRENCY PROGRAM)

For payments in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States, for scientific activities, as authorized by law, \$4,000,000, to remain available until September 30, 1977: *Provided*, That this appropriation shall be available in addition to other appropriations to the National Science Foundation, for payments in the foregoing currencies.

For "Scientific activities (special foreign currency program)" for the period July 1, 1976, through September 30, 1976, \$500,000, to remain available until September 30, 1977.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

For expenses necessary for the Selective Service System, including expenses of attendance at meetings and of training for uniformed personnel assigned to the Selective Service System, as authorized by law (5 U.S.C. 4101-4118) for civilian employees; and not to exceed \$1,000 for official reception and representation expenses; \$37,500,000: *Provided*, That during the current fiscal year, the President may exempt this appropriation from the provisions of subsection (c) of section 3679 of the Revised Statutes, as amended, whenever he deems such action to be necessary in the interest of national defense: *Provided further*, That none of the funds appropriated by this Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States.

For "Salaries and expenses" for the period July 1, 1976, through September 30, 1976, \$8,300,000, of which not to exceed \$250 is available for official reception and representation expenses.

VETERANS ADMINISTRATION

COMPENSATION AND PENSIONS

For the payment of compensation, pensions, gratuities, and allowances, including burial awards, plot allowances, burial flags, headstones and grave markers, emergency and other officers' retirement pay,

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adjusted-service credits and certificates, and other benefits as authorized by law; and for payment of amounts of compromises or settlements under 28 U.S.C. 2677 of tort claims potentially subject to the offset provisions of 38 U.S.C. 351, \$7,699,700,000, to remain available until expended.

For "Compensation and pensions" for the period July 1, 1976, through September 30, 1976, \$1,966,400,000, to remain available until expended.

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 21, 31, and 33-39), \$5,414,475,000, to remain available until expended.

For "Readjustment benefits" for the period July 1, 1976, through September 30, 1976, \$1,039,472,000, to remain available until expended.

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and soldiers' and sailors' civil relief, \$6,600,000, to remain available until expended.

For "Veterans insurance and indemnities" for the period July 1, 1976, through September 30, 1976, \$2,450,000, to remain available until expended.

MEDICAL CARE

For expenses necessary for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Veterans Administration, including care and treatment in facilities not under the jurisdiction of the Veterans Administration, and furnishing recreational facilities, supplies and equipment; funeral, burial and other expenses incidental thereto for beneficiaries receiving care in Veterans Administration facilities; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the Veterans Administration, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; uniforms or allowance therefor as authorized by law (5 U.S.C. 5901-5902); and aid to State homes as authorized by law (38 U.S.C. 641); \$3,666,711,000, plus reimbursements: *Provided*, That allotments and transfers may be made from this appropriation to the Public Health Service of the Department of Health, Education, and Welfare, and the Army, Navy, and Air Force of the Department of Defense, for disbursements by them under the various headings of their applicable appropriations, of such amounts as are necessary for the care and treatment of beneficiaries of the Veterans Administration.

For "Medical care" for the period July 1, 1976, through September 30, 1976, \$949,413,000, plus reimbursements.

MEDICAL AND PROSTHETIC RESEARCH

For expenses necessary for carrying out programs of medical and prosthetic research and development, as authorized by law, to remain available until expended, \$95,000,000, plus reimbursements.

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For "Medical and prosthetic research" for the period July 1, 1976, through September 30, 1976, to remain available until expended, \$24,714,000, plus reimbursements.

ASSISTANCE FOR HEALTH MANPOWER TRAINING INSTITUTIONS

For pilot programs for assistance in the establishment of new State medical schools, grants to affiliated medical schools, assistance to public and nonprofit institutions of higher learning, hospitals and other health manpower institutions affiliated with the Veterans Administration to increase the production of professional and other health personnel, and for expansion of Veterans Administration hospital education and training capacity as authorized by 38 U.S.C. Chapter 82, \$30,000,000, to remain available until September 30, 1982.

For "Assistance for health manpower training institutions" for the period July 1, 1976, through September 30, 1976, \$8,332,000, to remain available until September 30, 1982.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

For expenses necessary for administration of the medical, hospital, domiciliary, construction and supply, research, employee education and training activities, as authorized by law, and for carrying out the provisions of section 5055, title 38, United States Code, relating to pilot programs and grants for exchange of medical information, \$38,528,000, plus reimbursements.

For "Medical administration and miscellaneous operating expenses" for the period July 1, 1976, through September 30, 1976, \$10,230,000, plus reimbursements.

GENERAL OPERATING EXPENSES

For necessary operating expenses of the Veterans Administration, not otherwise provided for, including uniforms or allowances therefor, as authorized by law; not to exceed \$2,500 for official reception and representation expenses; cemeterial expenses as authorized by law, purchase of seven passenger motor vehicles, including one medium sedan for replacement only and the remainder light sedans for use in cemeterial operations, and hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services; \$462,450,000.

For "General operating expenses" for the period July 1, 1976, through September 30, 1976, \$112,164,000; and not to exceed \$625 for official reception and representation allowances.

CONSTRUCTION, MAJOR PROJECTS

For constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Veterans Administration, or for any of the purposes set forth in sections 5001, 5002 and 5004 of title 38, United States Code, including planning, architectural and engineering services, and site acquisition, where the estimated cost of a project is \$1,000,000 or more, \$297,464,000, to remain available until expended: *Provided*, That \$6,259,000 shall be available for construction of a research and education facility at Houston, Texas, \$2,460,000 for expansion of clinic and outpatient facilities and correc-

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tion of fire and safety deficiencies at Northampton, Massachusetts, and \$6,700,000 for construction of a research and education facility at Jackson, Mississippi: *Provided further*, That none of these funds shall be used for any project which has not been considered and approved by the Congress in the budgetary process.

For "Construction, major projects" for the period July 1, 1976, through September 30, 1976, \$15,860,000, to remain available until expended.

CONSTRUCTION, MINOR PROJECTS

For constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Veterans Administration, including planning, architectural and engineering services, and site acquisition, or for any of the purposes set forth in sections 5001, 5002 and 5004 of title 38, United States Code, where the estimated cost of a project is less than \$1,000,000, and for necessary expenses of the Office of Construction, \$106,426,000, to remain available until expended.

For "Construction, minor projects" for the period July 1, 1976, through September 30, 1976, \$16,490,000, to remain available until expended.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist the several States to construct State nursing home facilities and to remodel, modify or alter existing hospital and domiciliary facilities in State homes, for furnishing care to veterans, as authorized by law (38 U.S.C. 644 and 5031-5037), \$10,000,000, to remain available until September 30, 1978.

GRANTS TO THE REPUBLIC OF THE PHILIPPINES

For payment to the Republic of the Philippines of grants as authorized by law (38 U.S.C. 631-634), \$2,100,000, of which \$50,000 for hospital equipment, plant, and facilities rehabilitation grants shall remain available until expended.

For "Grants to the Republic of the Philippines" for the period July 1, 1976, through September 30, 1976, \$525,000, of which \$13,000 for hospital equipment, plant, and facilities rehabilitation grants shall remain available until expended.

LOAN GUARANTY REVOLVING FUND

During the current fiscal year, the Loan guaranty revolving fund shall be available for expenses, but not to exceed \$550,000,000, for property acquisitions, payment of participation sales insufficiencies, and other loan guaranty and insurance operations under Chapter 37, title 38, United States Code, except administrative expenses, as authorized by section 1824 of such title: *Provided*, That the unobligated balances including retained earnings of the Direct loan revolving fund shall be available, during the current fiscal year, for transfer to the Loan guaranty revolving fund in such amounts as may be necessary to provide for the timely payment of obligations of such fund and the Administrator of Veterans Affairs shall not be required to pay interest on amounts so transferred after the time of such transfer.

During the period July 1, 1976, through September 30, 1976, the Loan guaranty revolving fund shall be available for expenses, but not

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to exceed \$150,000,000, for property acquisitions, payment of participation sales insufficiencies, and other loan guaranty and insurance operations.

ADMINISTRATIVE PROVISIONS

Not to exceed 5 per centum of any appropriation for the current fiscal year for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" may be transferred to any other of the mentioned appropriations, but not to exceed 10 per centum of the appropriations so augmented.

Appropriations available to the Veterans Administration for the current fiscal year for salaries and expenses shall be available for services as authorized by 5 U.S.C. 3109.

No part of the appropriations in this Act for the Veterans Administration (except the appropriations for "Construction, major projects" and "Construction, minor projects") shall be available for the purchase of any site for or toward the construction of any new hospital or home.

No part of the foregoing appropriations shall be available for hospitalization or examination of any persons except beneficiaries entitled under the laws bestowing such benefits to veterans, unless reimbursement of cost is made to the appropriation at such rates as may be fixed by the Administrator of Veterans Affairs.

TITLE III

CORPORATIONS

The following corporations and agencies, respectively, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency except as hereinafter provided.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

LIMITATION ON ADMINISTRATIVE EXPENSES, GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

Not to exceed \$1,240,000 shall be available for administrative expenses, which shall be on an accrual basis, and shall be exclusive of interest paid, expenses (including expenses for fiscal agency services performed on a contract or fee basis) in connection with the issuance and servicing of securities, depreciation, properly capitalized expenditures, fees for servicing mortgages, expenses (including services performed on a force account, contract or fee basis, but not including other personal services) in connection with the acquisition, protection, operation, maintenance, improvement, or disposition of real or personal property belonging to said Association or in which it has an interest, cost of salaries, wages, travel, and other expenses of persons employed outside the continental United States, and all administrative expenses

reimbursable from other Government agencies and from the Federal National Mortgage Association: *Provided*, That the distribution of administrative expenses to the accounts of the Association shall be made in accordance with generally recognized accounting principles and practices.

For the period July 1, 1976, through September 30, 1976, not to exceed \$350,000 shall be available for administrative expenses.

FEDERAL HOME LOAN BANK BOARD

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES,  
FEDERAL HOME LOAN BANK BOARD

Not to exceed a total of \$14,665,000 shall be available for administrative expenses of the Federal Home Loan Bank Board, which may procure services as authorized by 5 U.S.C. 3109, and contracts for such services with one organization may be renewed annually, and uniforms or allowances therefor in accordance with law (5 U.S.C. 5901-5902), and said amount shall be derived from funds available to the Federal Home Loan Bank Board, including those in the Federal Home Loan Bank Board revolving fund and receipts of the Board for the current fiscal year and prior fiscal years, and the Board may utilize and may make payment for services and facilities of the Federal home loan banks, the Federal Reserve banks, the Federal Savings and Loan Insurance Corporation, the Federal Home Loan Mortgage Corporation, and other agencies of the Government (including payment for office space): *Provided*, That all necessary expenses in connection with the conservatorship or liquidation of institutions insured by the Federal Savings and Loan Insurance Corporation, liquidation or handling of assets of or derived from such insured institutions, payment of insurance, and action for or toward the avoidance, termination, or minimizing of losses in the case of such insured institutions, or activities relating to section 5A(f) or 6(i) of the Federal Home Loan Bank Act, section 5(d) of the Home Owners' Loan Act of 1933, section 12(i) of the Securities Exchange Act of 1934, or section 406(c), 407, or 408 of the National Housing Act and all necessary expenses (including services performed on a contract or fee basis, but not including other personal services) in connection with the handling, including the purchase, sale, and exchange, of securities on behalf of Federal home loan banks, and the sale, issuance, and retirement of, or payment of interest on, debentures or bonds, under the Federal Home Loan Bank Act, as amended, shall be considered as nonadministrative expenses for the purposes hereof: *Provided further*, That members and alternates of the Federal Savings and Loan Advisory Council shall be entitled to reimbursement from the Board as approved by the Board for transportation expenses incurred in attendance at meetings of or concerned with the work of such Council and may be paid in lieu of subsistence per diem not to exceed the dollar amount set forth in 5 U.S.C. 5703(d)(1): *Provided further*, That expenses of any functions of supervision (except of Federal home loan banks) vested in or exercisable by the Board shall be considered as nonadministrative expenses: *Provided further*, That not to exceed \$1,000 shall be available for official reception and representation expenses: *Provided further*, That, notwithstanding any other provi-

sions of this Act, except for the limitation in amount hereinbefore specified, the administrative expenses and other obligations of the Board shall be incurred, allowed, and paid in accordance with the provisions of the Federal Home Loan Bank Act of July 22, 1932, as amended (12 U.S.C. 1421-1449): *Provided further*, That the non-administrative expenses (except such part as the Board determines not to be field expense, which part shall be treated as if expenses of supervision and examination were not as such excluded from administrative expense, and except those included in the first proviso hereof) for the supervision and examination of Federal and State chartered institutions (other than special examinations determined by the Board to be necessary) shall not exceed \$19,585,000.

Not to exceed \$3,650,000 shall be available for administrative expenses of the Federal Home Loan Bank Board with respect to the period July 1, 1976, through September 30, 1976, and the provisions of the paragraph next preceding this paragraph shall be applicable in the same manner and to the same extent as if such period were a fiscal year, except that the dollar amount last set forth in said paragraph shall with respect to said period be \$4,900,000.

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Not to exceed \$820,000 shall be available for administrative expenses, which shall be on an accrual basis and shall be exclusive of interest paid, depreciation, properly capitalized expenditures, expenses in connection with liquidation of insured institutions or activities relating to section 406 (c), 407, or 408 of the National Housing Act, liquidation or handling of assets of or derived from insured institutions, payment of insurance, and action for or toward the avoidance, termination, or minimizing of losses in the case of insured institutions, legal fees and expenses and payments for expenses of the Federal Home Loan Bank Board determined by said Board to be properly allocable to said Corporation, and said Corporation may utilize and may make payments for services and facilities of the Federal home loan banks, the Federal Reserve banks, the Federal Home Loan Bank Board, the Federal Home Loan Mortgage Corporation, and other agencies of the Government: *Provided*, That, notwithstanding any other provisions of this Act, except for the limitation in amount hereinbefore specified, the administrative expenses and other obligations of said Corporation shall be incurred, allowed, and paid in accordance with title IV of the Act of June 27, 1934, as amended (12 U.S.C. 1724-1730b).

Not to exceed \$203,000 shall be available for administrative expenses of the Federal Savings and Loan Insurance Corporation with respect to the period July 1, 1976, through September 30, 1976, and the provisions of the paragraph next preceding this paragraph shall be applicable in the same manner and to the same extent as if such period were a fiscal year.

TITLE IV

GENERAL PROVISIONS

Sec. 401. Where appropriations in titles I and II of this Act are expendable for travel expenses of employees and no specific limitation

has been placed thereon, the expenditures for such travel expenses may not exceed ten per centum above the amounts set forth therefor in the budget estimates submitted for the appropriations: *Provided*, That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System; to travel performed directly in connection with care and treatment of medical beneficiaries of the Veterans Administration; or to payments to interagency motor pools where separately set forth in the budget schedules: *Provided further*, That the limitation may be increased by the Secretary when necessary to allow for travel performed by employees of the Department of Housing and Urban Development as a result of increased Federal Housing Administration inspection and appraisal workload.

SEC. 402. Appropriations and funds available for the administrative expenses of the Department of Housing and Urban Development and the Selective Service System shall be available in the current fiscal year for purchase of uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109.

SEC. 403. Funds made available for the Department of Housing and Urban Development under title III of this Act shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Federal Reserve banks or any member thereof, Federal home loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811-1831).

SEC. 404. None of the funds provided in this Act may be used for payment, through grants or contracts, to recipients that do not share in the cost of conducting research resulting from proposals for projects not specifically solicited by the Government: *Provided*, That the extent of cost sharing by the recipient shall reflect the mutuality of interest of the grantee or contractor and the Government in the research.

SEC. 405. No part of any appropriation, funds, or other authority contained in this Act shall be available for paying to the Administrator of the General Services Administration in excess of 90 per centum of the standard level user charge established pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended, for space and services.

SEC. 406. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein, except as provided in Section 204 of the Supplemental Appropriation Act, 1975 (P.L. 93-554).

SEC. 407. No part of the funds appropriated under this Act may be used by the Environmental Protection Agency to administer or promulgate, directly or indirectly, any program to tax, limit or otherwise regulate parking that is not specifically required pursuant to subsequent legislation.

SEC. 408. None of the funds provided by this Act shall be used to deny or fail to act upon, on the basis of noise contours set forth in an Air Installation Compatible Use Zone Map, an otherwise acceptable application for Federal Housing Administration mortgage insurance in connection with construction in an area zoned for residential use in Merced County, California.

SEC. 409. No funds appropriated by this Act may be expended—

(1) pursuant to a certification of an officer or employee of the United States unless—

(A) such certification is accompanied by, or is part of, a voucher or abstract which describes the payee or payees and the items or services for which such expenditure is being made, or

(B) the expenditure of funds pursuant to such certification, and without such a voucher or abstract, is specifically authorized by law; and

(2) unless such expenditure is subject to audit by the General Accounting Office or is specifically exempt by law from such an audit.

This Act may be cited as the "Department of Housing and Urban Development—Independent Agencies Appropriation Act, 1976".

*Speaker of the House of Representatives.*

*Vice President of the United States and  
President of the Senate.*

October 6, 1975

Dear Mr. Director:

The following bill was received at the White House on October 6th:

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Please let the President have reports and recommendations as to the approval of this bill as soon as possible.

Sincerely,

Robert D. Linder  
Chief Executive Clerk

The Honorable James T. Lynn  
Director  
Office of Management and Budget  
Washington, D. C.