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POLICIAL DESIGNATION OF THE PROPERTY OF THE PR

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

JUN 12 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 5899 - Second Supplemental

Appropriations Act, 1975

Sponsor - Representative Mahon (D), Texas

Last Day for Action

June 24, 1975 - Tuesday

Signature as soon as possible after receipt of the enrolled bill is recommended. Although the bill provides several undesirable program increases above your budget requests, the added spending is not large. Further delay in enactment of the bill will undesirably defer certain essential payments.

Funds for educational benefit payments to veterans have been exhausted, and, since June 5, scheduled payments to veterans have been delayed. These delays will continue until five days after your approval of the enrolled bill. In addition to releasing waiting checks, your early signature can avoid delaying the payments scheduled for the mid and latter parts of the month.

In addition, some 30 million social security checks for the \$50 payment under the Tax Reduction Act of 1975 are awaiting enactment of a \$1.8 billion appropriation contained in the enrolled bill.

Purpose

The enrolled bill provides a total of \$15,071,595,998 in supplemental appropriations for all cabinet departments and many other agencies. The total includes an advance 1976 appropriation of \$17,145,000 for the Washington Metropolitan Area Transit Authority and \$929,000 to offset a deficiency incurred by the Equal Employment Opportunity Commission during fiscal year 1974.



Protection of 13

Of the total appropriations provided in the enrolled bill nearly a third--\$5 billion--is the amount requested for advances to the Unemployment Trust Fund and associated funds. The appropriation is needed now to insure the orderly operation of the Fund, but will be repaid from subsequent tax collections.

Agency Recommendations

Office of Management and Budget Approval

Other affected agencies Approval (informally)

Discussion

The enrolled bill provides funds for a number of purposes:

- Funds are provided for several activities which were deferred from inclusion in the regular 1975 appropriation bills, generally because they lacked authorizing legislation.
- Title II of the enrolled bill includes \$1,772.9 million required to meet the unabsorbed portion of civilian, military, and wage board pay increases effective in fiscal year 1975.
- Payment of claims and judgments rendered against the United States requires the \$94 million included in this bill.
- Certain other activities would receive appropriations which were, subsequent to passage of the regular appropriation bills, either requested by you or added by the Congress.

The \$15,071.6 million appropriated in this bill is \$110.4 million in excess of your budget requests. The outlay effect of these increases will be to decrease fiscal year 1975 outlays by \$230 million and to increase fiscal year 1976 outlays by \$349 million.

The major changes made by the Congress to the amounts of budget authority requested follow:

Major Increases

- An increase of \$140 million to the \$75 million requested for emergency school aid. The funds would assist local districts and non-profit organizations in meeting school desegration problems, encouraging voluntary integration, and aiding school children in overcoming the education disadvantages of minority group isolation. You asked that projects be proposed, approved, and funded on the basis of the need and merit of each one. The Congress, however, has passed a program allotting the money to States and localities on a population formula basis.
- An increase of \$71.6 million to the request for the Community Services Administration is distributed as follows:
 - * \$25.4 million to continue two programs you previously proposed for rescission--emergency food and medical services (\$22.4 million) and national summer youth sports (\$3 million)-at approximately their current levels of operation.
 - * \$16.5 million for emergency energy conservation services you did not request, including the winterization program which, under your proposals, would have been administered by the Federal Energy Administration.
 - ° \$14.5 million to complete construction of the Hahnemann Medical College in Philadelphia, an appropriation initiated by Representative Flood of Pennsylvania.
 - Other changes result in an increase of \$15.2 million and are distributed among community economic development programs (\$7.5 million); State economic opportunity offices (\$3 million); the Senior Opportunities and Services program (\$2.5 million); research, demonstration, and evaluation projects (\$2.5 million); and program administration (-\$.3 million).
- An unrequested \$54.6 million for community planning and development programs of the Department of Housing and Urban Development. The Congress has earmarked this appropriation to aid smaller towns and cities in standard metropolitan statistical areas which heretofore have experienced difficulty in securing Federal

assistance under the community development block grant program. The funds provided would enable HUD to process approximately 190 applications for such assistance. This supplemental appropriation would set the undesirable precedent of overriding—for the benefit of a particular class of recipients—the formula mechanism of this program.

- A net increase of \$52.4 million to the request for the Health Resources Administration of the Department of Health, Education, and Welfare. This increase results from the following Congressional actions on your proposals:
 - An increase of \$38 million to your \$12 million request for operation of regional medical programs. These funds would continue regional medical programs at their current level of operation until they can be phased into new health systems agencies.
 - An unrequested \$22 million for medical facilities construction. These funds would be used to complete construction of the Children's Hospital Medical Center and the Concentrated Care Center at Georgetown University.
 - Obenial of \$9.5 million requested to assist States in establishing central agencies to administer local health planning activities and State hospital construction. The denial was based on timing rather than on the merit of the proposal. Reports on the bill state that designation of State agencies to receive these funds could not be accomplished by July 1, 1975.
 - On unrequested \$1.2 million for the support of 15 nursing research projects and a net increase of \$.7 million for other changes.
- An unrequested \$52 million for child nutrition programs of the Department of Agriculture. This appropriation would provide for the operation, through September, 1975, of a special summer program to provide meals and summer recreational facilities for disadvantaged children.
- An unrequested \$44 million for the U.S. Postal Service. This appropriation would support additional subsidies to the Postal Service Fund to extend the phasing-in

period of postal rate increases for second, third, and fourth class mail. You have consistently opposed this additional subsidy payment, the outlay impact of which would be great in future years.

- Other increases in Department of Health, Education, and Welfare programs totalling \$43.6 million. The increase is distributed among the following activities:
 - ° \$26.7 million for the Head Start project. These funds would cover increased operating costs of local projects and would support special services for handicapped children.
 - ° \$7.5 million for higher education. These funds would allow participation by an additional 350 institutions of higher learning in the veterans' cost-of-instruction program.
 - ° \$6.5 million for elementary and secondary education. These funds would assist schools and communities in responding to drug and alcohol abuse problems among school children (\$4 million) and would provide additional support for the Follow Through program for disadvantaged children (\$2.5 million).
 - o Other changes adding a net \$2.9 million.
- An unrequested \$36.2 million for minor construction projects and unfunded operation and maintenance activities of the Corps of Engineers. Your proposals would have authorized the Secretary of the Army to transfer construction funds for use, as required, in operation and maintenance activities. The Congress has denied this transfer authority and has, instead, chosen to appropriate operation and maintenance funds on an individual project basis.
- Increases totalling \$22.4 million in programs of the Department of the Interior, distributed as follows:
 - * \$8.9 million for the Trust Territory of the Pacific Islands, to be used for the construction of two inter-island ships and the absorption of unanticipated cost increases in supplies, equipment, and construction;
 - ° \$7.5 million to accelerate land acquisition by the National Park Service;

- ° \$3.3 million for Bureau of Indian Affairs public school construction assistance programs in Montana and New Mexico and road maintenance programs at the Fort Totten and Turtle Mountain Indian reservations in North Dakota;
- ° \$2.3 million for construction of a sewage system and treatment plant in cooperation with the towns of Harpers Ferry and Bolivar, West Virginia; and
- ° \$.4 million for environmental studies into the effects of fluctuating water levels on the ecosystems of Lake Champlain.
- An unrequested \$15 million for the Law Enforcement Assistance Administration of the Department of Justice. This appropriation, added to the bill by a House floor amendment, would provide for initial implementation—through allocation of funds to the States—of the Juvenile Justice and Delinquency Prevention Act of 1974.
- An unrequested \$5 million to develop plans to provide assistance to financially distressed railroads. This item began in the Senate as a \$700 million appropriation to improve railroad rights-of-way by hiring recently-furloughed maintenance-of-way employees and by providing necessary associated materials. Partly because this program lacked authorization, the House insisted, through several actions on the conference report, on providing only \$5 million for planning costs. The funds in the enrolled bill present no major barrier to your forthcoming comprehensive proposals for dealing with railroad problems.
- Several other increases to programs--all under \$5 million each--are distributed throughout the bill and total \$10.8 million.

Major Decreases

- A reduction of \$281.6 million in the amount requested in Title II of the bill for fiscal year 1975 increased pay costs. Of this total decrease, \$255.9 million is for the Department of Defense. Approximately \$170 million of the Defense reduction is offset by approved transfers of funds to meet the increased pay costs. The remainder of the reduction results from an overestimate of wage-board salary increases and actual strength shortfalls from the fiscal year 1975 plan.

- Denial of the entire \$65 million request for capitalization of the General Services Administration's general supply fund. Because of this disallowance, GSA will have to rely on agency advances in order to keep the supply fund solvent and probably will have to maintain a freeze on supply purchases. Later, it may be necessary to request a 1976 supplemental appropriation for this item.
- A reduction of \$25 million in the amount requested for Department of Defense retired pay. The reduced total of \$6,251 million available for retired pay in 1975 will, according to current estimates, meet requirements.
- A disallowance of the \$20.2 million request for payments to the Social Security trust funds. This will prevent the Social Security Administration from paying GSA commercially-equivalent rent for GSA-furnished space and, consequently, will marginally reduce resources available for the Federal buildings fund of the General Services Administration.
- A reduction of \$12 million in the amount requested for the Nuclear Regulatory Commission. Most of this reduction results from a recomputation of revenues recovered from the nuclear regulatory activities of the Atomic Energy Commission and a reestimate of the funds required to provide refunds to licensees as the result of a Supreme Court Decision. Consequently, this reduction would have no programmatic impact upon the activities of the Commission.
- A reduction of \$12 million in the request for the Federal Energy Administration. This reduction reflects the transfer of the winterization program to the Community Services Administration (discussed above) as well as a \$4 million reduction in funds requested for a public information and education program on energy conservation.
 - Several other decreases to amounts requested--each less than \$5 million--are distributed throughout the bill and total \$21.4 million.

Recommendation

Since it is now essential that payments under this bill not be delayed further, I recommend that you sign the bill without comment. At a later date we will make recommendations to you concerning the rescission of undesirable funding contained in the bill.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

JUN 1 2 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 5899 - Second Supplemental Appropriations Act, 1975

Sponsor - Representative Mahon (D), Texas

Last Day for Action: June 24, 1975 - Tuesday

Signature upon receipt of the enrolled bill is recommended so that waiting checks for veterans and social security beneficiaries can be released.

Appropriations	Budget	Enrolled	Congressional
(In millions of dollars)	Estimate	Bill	Change
Deficiency 1974	0.9	0.9	
1975	14,943.1	15,053.5	+110.4
Advance 1976	17.1	17.1	اللهد فنظه مست

Outlay Effect: -\$230 million in FY 1975; +\$349 million in FY 1976

Highlights:

- Checks to veterans for education benefits have been delayed since June 5 and will be released only upon approval of the enrolled bill.
- Release of some 30 million social security checks for the \$50 payment under the Tax Reduction Act of 1975 is also dependent upon approval of this enrolled bill.
- Of the total amount provided, nearly a third-\$5 billion-is for the requested repayable advance to the Unemployment Trust Fund and other associated funds.
- Changes made by the Congress to your requests are discussed in the accompanying memorandum. While several changes are undesirable, the added spending is not great.

Recommendation:

Signature upon receipt of the enrolled bill is recommended. Funds for educational benefit payments to veterans have been delayed since June 5. These delayed checks can be in veterans hands five days after your approval of the bill. Your early signature will also avoid delaying veterans payments scheduled for the mid and late parts of June.

Further, some 30 million social security checks for the \$50 payment under the Tax Reduction Act of 1975 are awaiting enactment of a \$1.8 billion appropriation contained in the enrolled bill.

James T. Lynn

Director

NATIONAL SECURITY COUNCIL

4061

June 12, 1975

MEMORANDUM FOR:

JIM CAVANAUGH

FROM:

Jeanne W. Davi

SUBJECT:

Enrolled Bill H.R. 5899

The NSC staff concurs in the proposed Enrolled Bill H.R. 5899.



THE WHITE HOUSE Last Day: June 24 WASHINGTON June 12, 1975 MEMORANDUM FOR THE PRESIDENT JIM CANNON FROM: Enrolled Bill H.R. 5899, Second SUBJECT: Supplemental Appropriations Act, 1975 Attached for your consideration is H.R. 5899, sponsored by Representative Mahon, which provides a total of \$15,071,595,998 in supplemental appropriations for all cabinet departments and many agencies. A detailed analysis of the bill is provided in OMB's enrolled bill report at Tab A. OMB recommends you sign the enrolled bill as soon as possible so that delayed checks for veterans and social security beneficiaries can be released. Max Friedersdorf, NSC, Phil Buchen (Lazarus) and I concur in this recommendation. RECOMMENDATION That you sign H.R. 5899 at Tab B.

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

JUN 12 1975

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Further, some 30 million social security checks for the \$50 payment under the Tax Reduction Act of 1975 are swaiting enactment of a \$1.8 billion appropriation contained in the enrolled bill.

MEMORANDUM

WASHINGTON

LOG NO .:

June 12, 1975 ite:

200pm Time:

FOR ACTION:

Max Friedersdorf

Ken Lazarus

Art Quern Roger Semerad cc (for information):

Jack Marsh Jim Cavanaugh

Robert Hartmann

FROM THE STAFF SECRETARY

DUE: Date:

June 12

Time:

430pm

SUBJECT:

H.R. 5899 - 2nd Supplemental Appropriations, Act 1975

ACTION REQUESTED:

For Necessary Action

X For Your Recommendations

Prepare Agenda and Brief

_ Draft Reply

For Your Comments

_ Draft Remarks

REMARKS:

Signature is recommended today so that waiting checks for veterans and social security beneficiaries can be released.

Please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary in the Entely

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advance

EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

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Last Day for Action: June 24, 1973 - Tuesday

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THE WHITE HOUSE WASHINGTON

June 12, 1975

Judy:

Art recommends approval - re: H.R. 5899 - 2nd Supplemental Appropriations Act, 1975

ACTION MEMORANDUM

WASHINGTON

LOG NO .:

Date:

June 12, 1975

200pm Time:

FOR ACTION: Max Friedersdorf

Ken Lazarus

Art Quern Roger Semerad cc (for information):

Jack Marsh

Jim Cavanaugh Robert Hartmann

FROM THE STAFF SECRETARY

DUE: Date:

June 12

Time:

430pm

SUBJECT:

H.R. 5899 - 2nd Supplemental Appropriations, Act 1975

ACTION REQUESTED:

____ For Necessary Action

X For Your Recommendations

Prepare Agenda and Brief

____ Draft Reply

Y For Your Comments

____ Draft Remarks

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James H. .



advance copy

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ACTION MEMORANDUM

WASHINGTON

LOG NO .:

June 12, 1975 Date:

200pm Time:

FOR ACTION: Max Friedersdorf

cc (for information):

Jack Marsh Jim Cavanaugh Robert Hartmann

RatilOWhens AL Roger Semerad

Ken Lazarus M

NSCIS

June 12

FROM THE STAFF SECRETARY

Time:

430pm

SUBJECT:

DUE: Date:

H.R. 5899 - 2nd Supplemental Appropriations, Act 1975

ACTION REQUESTED:

For Necessary Action	For Your Recommendations		
Prepare Agenda and Brief	Draft Reply		
X For Your Comments	Draft Remarks		

REMARKS:

Signature is recommended today so that waiting checks for veterans and social security beneficiaries can be released.

Please return to Judy Johnston, Ground Floor West Wing

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If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR. For the President

THE WHITE HOUSE WASHINGTON

June 12, 1975

MEMORANDUM FOR:

JIM CAVANAUGH

FROM:

MAX L. FRIEDERSDOR

SUBJECT:

H.R. 5899 - 2nd Supplemental Appropriations

Act 1975

The Office of Legislative Affairs concurs with the agencies that the subject bill be signed.

Attachments

ACTION MEMORANDUM

WASHINGTON

LOG NO .:

Date:

June 12, 1975

Time:

200pm

FOR ACTION:

Max Friedersdorf

Ken Lazarus

Art Quern Roger Semerad

NSC/S

cc (for information):

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Jim Cavanaugh Robert Hartmann

FROM THE STAFF SECRETARY

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____ Draft Remarks

REMARKS:

Signature is recommended today so that waiting checks for veterans and social security beneficiaries can be released.

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No objection. -- Ken Lazarus 6/12/75

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