

SUMMARY OF PROPOSED  
RESCISSIONS AND DEFERRALS

(In thousands of dollars)

<u>Report Number</u>	<u>Item</u>	<u>Budget Authority</u>
R75-87	Other Independent Agencies: Community Services Administration..	28,000
<u>Deferrals:</u>		
D75-161	Funds Appropriated to the President: Foreign Military Credit Sales.....	71,930
D75-98A	Commerce: Maritime Administration: Ship Construction.....	<u>55,750</u>
	Subtotal, Deferrals.....	<u>127,680</u>
	Total Rescissions and Deferrals.....	155,680

Amounts previously reported under these headings:		
	Rescissions.....	---
	Deferrals.....	5,750
Change:		
	Rescissions:	
	For new items.....	28,000
	Deferrals:	
	For new items.....	71,930
	To amounts previously reported.....	<u>50,000</u>
	Subtotal, Deferrals.....	<u>121,930</u>
	Total Change.....	149,930

PROPOSED RESCISSION OF BUDGET AUTHORITY  
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency - Community Services Administration	New budget authority (P.L. 94-7)	\$28,000,000
Appropriation Title & Symbol	Other budgetary resources	---
Economic Opportunity Program Executive 1975 - 8150500 (Emergency Food and Medical Services and Youth Recreation and Sports Programs)	Total Budgetary Resources	28,000,000
	Amount proposed for rescission	28,000,000

Justification

A rescission of Continuing Resolution authority under Section 1012 of the Impoundment Control Act of 1974 (P.L. 93-344) is proposed for the \$25.0 million Emergency Food and Medical Services (EFMS) program and the \$3.0 million Youth Recreation and Sports program. These categorical programs duplicate other, more comprehensive programs that provide aid to the same recipients.

The EFMS program overlaps the nutrition responsibility of other agencies, particularly the Department of Agriculture's Food Stamp and Child Nutrition programs, which provide greater resources for nutritionally needy Americans than does EFMS. Moreover, these programs are a more equitable means of providing assistance against national needs standards for entitlement than is this program in which benefits are provided to only some areas through the more fortuitous project grant system. The Federal Disaster Assistance Administration, by law, coordinates all Federal efforts in emergency situations and can call on all the resources of the Federal Government to aid the needy. In addition, vast State, local, and private resources (such as the Red Cross and other volunteer agencies) are available to assist those in need as a result of natural disasters.

Similarly, compared with the Youth Recreation and Sports program, a wide variety of programs exists to aid youth, with particular emphasis on summer activities. Prominent among them are the Comprehensive Employment Training Act (CETA) programs of the Department of Labor. A \$412.7 million augmentation of the Summer Youth Employment Program under this authority has been endorsed by the Administration. In addition, the summer feeding programs of the Department of Agriculture benefit 1.4 million children, as compared with the 43,000 youths enrolled in this program in which some nutrition assistance is provided.

### Estimated Effects

EFMS activities are advance funded so that the effects of a rescission of FY 1975 budget authority would not be felt until FY 1976. Under this rescission, actual feeding and medical services activities can be provided in entirety by the more comprehensive authorities discussed above.

The Director of the Community Services Administration (formerly the Office of Economic Opportunity) has, in previous years, delegated to the Secretary of the Department of Health, Education, and Welfare (DHEW) the authority to administer the Youth Recreation and Sports program. This rescission proposal will discontinue contracts made by HEW with members of the National Collegiate Athletic Association (NCAA) involving the recreation program.

There will be 43,000 summer youth sports opportunities of varying quality and intensity which will not be provided. However, there will be no appreciable diminution of recreation opportunities for youth, as there exist numerous local programs capable of alternatively providing such opportunities. Substantial Federal resources on a much greater scale are available such as the CETA program (which includes the use of work opportunities to provide other youth recreation opportunities) and the summer feeding programs of the Department of Agriculture. In addition, there will be little impact on direct benefits to youth since 70% of this program is composed of staff, overhead, and operating expenses.

Finally, the expansion of nutrition and youth employment opportunities on an equitable basis through the Food Stamp, Child Nutrition, and Comprehensive Employment and Training Act programs, provide for far more substantial benefit increases than the decreases involved in not funding this small categorical program.

<u>Total FY 1975 Outlays</u>	<u>Dollars in Millions</u>
FY 1976 Budget (current estimate).....	\$22.4
Without Rescission.....	22.4
With Rescission.....	22.4
(Effect of action on FY 1976 outlays .....	-28.0)

Community Services Administration

Appropriations provided for the Emergency Food and Medical Services program and the Summer Youth Recreation program under the Economic Opportunity Act of 1964, as amended, for fiscal year 1975 in Public Law 93-324, as amended, are rescinded in the amount of \$28,000,000.

**DEFERRAL OF BUDGET AUTHORITY**  
**Report Pursuant to Sec. 1013 of P.L. 93-344**

<b>Agency Fund Appropriated to the President</b>	New budget authority	\$ 300,000,000
<b>Bureau</b>	(P.L. <u>94-11</u> )	
<b>Appropriation Title &amp; Symbol</b>	Other budgetary resources	
Foreign Military Credit Sales, 1975	<b>Total Budgetary Resources</b>	<u>300,000,000</u>
115 1082	<b>Amount to be deferred part of year</b>	<u>71,930,000</u>
	<b>Amount to be deferred for entire year</b>	

JUSTIFICATION

These funds have been placed in "Reserve for Contingencies" under the Anti-Deficiency Act to ensure fund availability at the end of the fiscal year. This is of particular importance in this account since the entire amount of available funds is normally obligated in the last quarter. The funds will be released prior to June 30, 1975 upon approval of specific credit sales programs by the Departments of State, Defense, and Treasury. Coordination among these Departments on each case will ensure that approved programs are consistent with the foreign, national security, and economic policies of the United States.

ESTIMATED EFFECT

This deferral will have no programmatic or budgetary impact and is not designed to be restrictive in nature. Funds are simply released on a loan by loan basis contingent on approval of the three Departments listed above.

<u>Total FY 1975 Outlays</u>	<u>Dollars in Millions</u>
1976 Budget (February transmittal).....	\$400.0
Without deferral (current estimate).....	382.0
With deferral (current estimate).....	382.0
(Effect of action on 1976 outlays.....)	( -0- )

Supplemental Report

Report Pursuant to Sec. 1014(c) of P.L. 93-344

This supplementary message revises deferral No. D75-98 which was transmitted to Congress on November 26, 1974, (House Document No. 93-398):

As a result of the deobligation in FY 1975 of prior year contracts, the Maritime Administration's Ship construction appropriation will show a larger deferral of FY 1975 funds than had been previously reported. No adjustments in the FY 1975 or FY 1976 programs are involved. The recovered funds are simply being carried forward into FY 1976 where they reduce the appropriation required to fund the previously planned program. An amendment to the 1976 budget will reduce the appropriation requested for this account.

DEFERRAL OF BUDGET AUTHORITY  
 Report Pursuant to Sec. 1013 of P.L. 93-344

Agency Department of Commerce	New budget authority (P.L. 93-433 )	\$ 275,000,000
Bureau Maritime Administration	Other budgetary resources	17,003,836
Appropriation Title & Symbol	Total Budgetary Resources	292,003,836
Ship Construction 13X1708	Amount to be deferred part of year	---
	Amount to be deferred for entire year	\$ 55,750,000*

Justification:

A deferral of \$5,750,000 is for fiscal policy reasons pursuant to P.L. 93-344 as reported to Congress by the President's message of November 26, 1974.

The additional deferral of \$50,000,000 is comprised of two items:\*

- ° Expiration on March 31, 1975, of contract with Pierce Tanker Corporation for payment of construction-differential subsidy (CDS) for the construction of one 225,000 DWT tanker. Expiration of contract is based on failure of Pierce Tanker Corporation to fulfill contractual conditions relating to certain financial requirements .... \$36,630,730
- ° Termination of all contract work and payments by Maritime Subsidy Board on March 5, 1975, toward the construction of three 89,700 DWT tankers for Hawaiian International Shipping Corporation. Termination based on notice to the Board on February 27, 1975, by Todd Shipyards Corporation of default by Hawaiian International to make contract payments. Amount is based on CDS contract price (\$39,457,431), less payments to date (\$780,219), less assessment of shipyard progress through March 7 ..... \$13,369,270

Construction-differential subsidy contracts in excess of those planned for Fiscal Year 1975 would be necessary to expend the funds made available by these contract terminations. The Maritime Administration does not anticipate receiving such additional contracts.

Estimated Effects:\*

The requested deferral is related to anticipated recovery of prior obligations. Since these obligations were made in Fiscal Year 1974, deferral of the recovered funds will not reduce the



planned Fiscal Year 1975 program.

<u>Total 1975 Outlays</u>	<u>Dollars in Millions</u>
1976 Budget (February transmittal).....	\$282.8
Without deferral (current estimate) ....	\$260.0
With deferral (revised estimate) .....	\$256.0
(Effect of action on 1976 outlays .....	\$ -1.8)