

SUMMARY OF PROPOSED DEFERRALS

(In thousands of dollars)

<u>Deferral #</u>	<u>Item</u>	<u>Budget Authority</u>
	Agriculture:	
	Agricultural Stabilization and Conservation Service	
D76-104	Water Bank Act program.....	8,072
	Food and Nutrition Service	
D76-105	Special supplemental food program.....	61,000
	Commerce:	
	General Administration	
D76-106	Special foreign currency.....	1,220
	Maritime Administration	
D76-107	Ship construction.....	231,000
	Defense-Military:	
	Procurement	
D76-108	Shipbuilding and conversion, Navy.....	2,245,945
	Health, Education, and Welfare:	
	Social Security Administration	
D76-54A	Limitation on construction.....	15,098
	Labor:	
	Employment and Training Administration	
D76-109	Grants to States for Unemployment Insurance and Employment Services.....	<u>15,000</u>
	Total, deferrals.....	2,577,335

SUMMARY OF SPECIAL MESSAGES
FOR FY 1976

(Amounts in thousands of dollars)

	<u>Rescissions</u>	<u>Deferrals</u>
Twelfth special message:		
New items.....	---	2,562,237
Changes to amounts previously submitted.....	* ---	<u>189</u>
Effect of the twelfth special message.....	---	2,562,426
Previous special messages..	3,328,714	6,420,441
Adjustments to eliminate double counting.....	<u>---</u>	<u>-242,023</u>
Total amount proposed in special messages.....	3,328,714 (in 44 rescission proposals)	8,740,844 (in 109 deferrals)

NOTE: All amounts listed represent budget authority except for \$106,850,352 consisting of two general revenue sharing deferrals (of outlays only). A supplementary report (D76-25D) was included in the tenth special message for one of these deferrals. The other deferral (D76-67) was reported in the seventh 1976 special message.

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

Agency U.S. Department of Agriculture	New budget authority <u>\$10,000,000</u> (P.L. <u>94-122</u>)
Bureau Agricultural Stabilization & Conservation Service	Other budgetary resources <u>12,979,806</u>
Appropriation title & symbol Water Bank Act Program 12X3320	Total budgetary resources <u>22,979,806</u>
	Amount deferred: Part of year <u>\$ 8,071,770</u>
	Entire year _____
OMB Identification code: <u>05-60-3320-0-1-302</u>	Legal authority (in addition to sec. 1013): <input type="checkbox"/> Antideficiency Act
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual	Type of budget authority: <input checked="" type="checkbox"/> Appropriation
<input type="checkbox"/> Multiple-year _____ (expiration date)	<input type="checkbox"/> Contract authority
<input checked="" type="checkbox"/> No-year	<input type="checkbox"/> Other _____

Justification and Estimated Effects

During fiscal year 1976, the Water Bank Act program has been the subject of three previous reports under the Impoundment Control Act: deferral of continuing resolution funds was reported in D76-29 and D76-29A and, in R76-16, rescission of the 1976 and transition quarter appropriations was sought. The funds proposed for rescission in R76-16 were released on February 24, 1976, the day following expiration of the 45-day period prescribed by law for Congressional consideration of the rescission.

On February 13, 1976, \$8,071,770 in unobligated balances was placed in reserve and an accompanying rescission proposal drafted for transmittal to the Congress. When the required release of other funds proposed for rescission took place on February 24, 1976, it was decided not to proceed with the further rescission proposal and the \$8,071,770 was also released. Thus, this deferral now being reported was in effect only from February 13 to February 24, 1976. The 11-day withholding had no effect on the program.

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

Agency <u>U.S. Department of Agriculture</u>	New budget authority <u>\$ 106,000,000</u> (P.L. <u>94-122</u>)
Bureau <u>Food and Nutrition Service</u>	Other budgetary resources* <u>144,000,000</u>
Appropriation title & symbol <u>Special Supplemental Food Program (WIC)</u> <u>12X3510</u>	Total budgetary resources <u>250,000,000</u>
	Amount to be deferred:
	Part of year \$ _____
	Entire year <u>61,000,000</u>
OMB Identification code: <u>05-84-3539-0-1-604</u>	Legal authority (in addition to sec. 1013): <input type="checkbox"/> Antideficiency Act
Grant program <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

Justification

Deferral of \$61,000,000 of the appropriation for the Special Supplemental Food Program for Women, Infants, and Children (WIC) is necessary to enable the Secretary of Agriculture to ensure the provision of nutritious foods during the transition quarter to the maximum number of infants, young children, and pregnant and lactating mothers in an efficient and cost-effective manner and to maintain operations at the authorized program level of \$250 million.

Although section 17(a) of the Child Nutrition Act, as amended by P.L. 94-105 (enacted October 17, 1975), authorizes the Secretary to make cash grants for the purposes of that section through fiscal year 1978, including the transition quarter, section 17(c) only authorizes the appropriation of \$250 million for each of the fiscal years 1976, 1977, and 1978. Section 17(c) does not authorize separate appropriations for the transition quarter, unlike other sections of the Child Nutrition and School Lunch Acts, as amended by P.L. 94-105.

The Agriculture and Related Agencies Appropriation Act of 1976 (P.L. 94-122) which was enacted on October 21, 1975, 14 days after the enactment of P.L. 94-105, provided separate transition quarter funding for other domestic food programs (e.g., Food stamps, Food donation, and Child nutrition) but did not provide

* Includes transfer of \$110,319,937 from Funds for strengthening markets, income, and supply and \$33,680,063 from fiscal year 1975 carryover balances from this source (S.Rep. 94-293, p.83).

separate transition quarter funding for the WIC program. This deferral will assure the availability of \$61 million for program operations during the transition quarter.

During the first quarter of fiscal year 1976, the program operated under a continuing resolution pending enactment of the Agriculture Appropriation Act and the participation level was approximately 500,000 a month. The \$250 million annual authorization--which will support an annual caseload of about 830,000 participants--was not enacted until October 7, 1975. The program is now building to this level and is expected to reach the full caseload late in the fiscal year or during the transition quarter. The use of the total appropriation by the States within fiscal year 1976 would require departing from the orderly buildup now going on and initiating, instead, a dramatic increase in the caseload to a level at least double that which could be sustained in succeeding years under the authorizing legislation. Consistent with the plan for an orderly buildup to the \$250 million level, the President has transmitted an appropriation request of \$250 million to sustain the full authorized program level in fiscal year 1977, pending new legislation proposed to incorporate this program under the Child Nutrition Reform Act.

We believe that the deferral of \$61 million for program operations in the transition quarter reflects sound budgetary procedures; ensures the integrity and orderly growth of the Supplemental Feeding Program for Women, Infants and Children; is consistent with the intent of Congress expressed in the process of enacting the substantive law and the appropriation; and assures essential funding for the transition quarter. The deferral prevents funding a 1976 program level which could not be sustained in 1977 or 1978 within the authorizations provided by law. It thus avoids a severe disruption of the program that would result from attempting to use the full appropriation in 1976.

Estimated Effects

The estimated effects of the proposed deferral are negligible. The caseload which can be supported by \$250 million in each of the fiscal years 1976-1978 will be reached during fiscal 1976 or the transition quarter. All of the available fiscal year 1976 funds will be obligated in the fourth quarter of fiscal year 1976 for program operation in the transition quarter.

The proposed deferral will still allow funding for the Special Supplemental Food Program during fiscal 1976 and the transition quarter of double the level in fiscal 1975.

Outlay Effect

Comparison with President's 1977 Budget:

1. Budget outlay estimate for 1976.....	\$182.1
2. Outlay savings, if any, included in the budget outlay estimate.....	61.0

Current Outlay Estimates for 1976:

3. Without deferral.....	\$243.1
4. With deferral.....	182.1
Current outlay savings.....	61.0
Outlay Savings for the Transition Quarter.....	-61.0
Outlay Savings for 1977.....	-0-
Outlay Savings for 1978.....	-0-

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

Agency Department of Commerce	New budget authority \$ _____ (P.L. _____)
Bureau General Administration	Other budgetary resources <u>2,720,271</u>
Appropriation title & symbol	Total budgetary resources <u>2,720,271</u>
Special foreign currency 13X0160	Amount to be deferred:
1423	Part of year \$ _____
0654	Entire year <u>1,220,000</u>
1802	
OMB identification code: 06-05-0160-0-1-403	Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual	Type of budget authority: <input type="checkbox"/> Appropriation
<input type="checkbox"/> Multiple-year _____ (expiration date)	<input type="checkbox"/> Contract authority
<input checked="" type="checkbox"/> No-year	<input type="checkbox"/> Other _____

Justification: Excess foreign currencies are used in this account to: (1) support U.S. export expansion programs, (2) further international cooperation in environmental research and allied sciences, and (3) provide for augmentation by foreign countries of the National Bureau of Standard's scientific and technical capabilities. Program plans provide for obligation in 1976 of \$1,500,271. The funds deferred could not be efficiently and economically used in fiscal 1976 unless additional Foreign Currency Reservation Certificates were issued by the Department of the Treasury. Consequently, the amount proposed for deferral has been placed in reserve pursuant to the Antideficiency Act (31 U.S.C. 665 et seq.)

Estimated effects: The deferral will have no effect on the program plans for this activity. These funds are proposed for deferral through June 30, 1976, or, if appropriate legislation is enacted, through September 30, 1976.

Outlay Effect (estimated in millions of dollars)

Comparison with President's 1977 Budget:

- | | |
|--|-----|
| 1. Budget outlay estimate for 1976..... | 0.8 |
| 2. Outlay savings, if any, included in the budget outlay estimate..... | --- |

Current Outlay Estimates for 1976:

- | | |
|--|-----|
| 3. Without deferral..... | 0.8 |
| 4. With deferral..... | 0.8 |
| 5. Current outlay savings (line 3 - line 4)..... | --- |

Outlay Savings for the Transition Quarter..... ---

Outlay Savings for 1977..... ---

Outlay Savings for 1978..... ---

Deferral No: D76-107

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

Agency Department of Commerce	New budget authority (P.L. <u>94-121</u>)	\$ <u>195,000,000</u>
Bureau Maritime Administration	Other budgetary resources	<u>236,010,661</u>
Appropriation title & symbol	Total budgetary resources	<u>431,010,661</u>
Ship Construction	Amount to be deferred:	
13X1708	Part of year	\$ _____
	Entire year	<u>\$231,000,000*</u>
OMB Identification code: 06-70-1708-0-1-406	Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act	
Grant program <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other _____	
Type of account or fund: <input type="checkbox"/> Annual	Type of budget authority: <input checked="" type="checkbox"/> Appropriation	
<input type="checkbox"/> Multiple-year _____ (expiration date)	<input type="checkbox"/> Contract authority	
<input checked="" type="checkbox"/> No-year	<input type="checkbox"/> Other _____	

Justification

This appropriation, available until expended, provides subsidies to U.S. shipyards for the construction and conversion of ships for foreign trade.

The deferral is based on projections for fiscal year 1976 and the transition quarter (TQ) of realizable demand for U.S. shipbuilding. Anticipated new subsidized shipbuilding contracts through June 30, 1976, can be funded within \$200,010,661 and those for 1976 and the transition quarter can be funded within \$202,011,000.

Deferral of \$231 million in 1976 is being reported now. Because the provisions of the Impoundment Control Act would nullify on July 1, 1976, any TQ deferral reported in fiscal year 1976, no such report is being made now, but projections have been made that include both 1976 and the TQ and call for the deferral of \$16 million in TQ funds. The 1976 deferral (\$231 million) and the TQ deferral (\$16 million) will make \$247 million available for the 1977 program.

Estimated Effects

The deferral will not delay planned construction or conversion of subsidized ships. The FY 1976 and transition quarter program provides subsidy for seven new ships and two conversions. Deferred 1976 and TQ funds will be used for a FY 1977 subsidy

program for eight new ships and two conversions. Both the FY 1976 and FY 1977 programs reflect the Administration's continuing commitment to a central objective of the Merchant Marine Act of 1970: assuring a sustained national shipbuilding capability.

If the funds being deferred were made available, they would not be used since there is no demand for the extra shipbuilding that could be subsidized. Consequently, this deferral has no effect on the international competitive position of U.S. shipyards.

Outlay Effect (estimated in millions of dollars)

Comparison with President's 1977 Budget:

1. Budget outlay estimate for 1976.....	\$242.0
2. Outlay savings, if any, included in the budget outlay estimate.....	---

Current Outlay Estimates for 1976:

3. Without deferral.....	242.0
4. With deferral.....	<u>242.0</u>
5. Current outlay savings.....	---

Outlay Savings for the Transition Quarter..... ---

Outlay Savings for 1977..... ---

Outlay Savings for 1978..... ---

* These funds are proposed for deferral through June 30, 1976, or, if appropriate legislation is enacted, through September 30, 1976.

Deferral No: D76-108

DEFERRAL OF BUDGET AUTHORITY

Report Pursuant to Section 1013 of P.L. 93-344

Agency Department of Defense	New budget authority \$ <u>3,853,000,000</u> (P.L. <u>94-212</u>)
Bureau	Other budgetary resources <u>5,878,300,018</u>
Appropriation title & symbol	Total budgetary resources <u>9,731,300,018</u>
See Coverage section below	Amount to be deferred: Part of year \$ _____ Entire year <u>2,245,945,000</u>
CMB identification code: <u>07-15-1611-0-1-051</u>	Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Type of account or fund: <input type="checkbox"/> Annual <input checked="" type="checkbox"/> Multiple-year (see Coverage section) (expiration date) <input type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

Coverage

Shipbuilding and Conversion, Navy	172/61611	\$ 0
Shipbuilding and Conversion, Navy	173/71611	29,430,000
Shipbuilding and Conversion, Navy	174/81611	192,348,000
Shipbuilding and Conversion, Navy	175/91611	713,991,000
Shipbuilding and Conversion, Navy	176/01611	1,310,176,000

Justification

This deferral report replaces report D76-4 transmitted to the Congress on July 1, 1975. Funds for four accounts (172/61611, 173/71611, 174/81611, 175/91611) are covered by both this report and by the earlier report, but only this report is in effect. The funds shown as deferred in D76-4 were released. The review of the 1976 regular appropriation resulted in the deferrals--of new and previous appropriations--shown in this report for Shipbuilding and conversion, Navy.

Due to the long period of time required to build ships, the Congress makes appropriations available for five-year periods. Since these funds are, by law, made available beyond the current year, they are not fully apportioned in the current year. The unapportioned amount is withheld and released as the program develops and additional funds are required. The amounts deferred are to be released contingent upon the development of program needs that arise in the current and future years. These funds are proposed for deferral through June 30, 1976, or, if appropriate legislation is enacted, through September 30, 1976.

Prudent financial management requires the deferral of those funds that could not be used effectively during the current year even if made available for obligation. The above multi-year appropriations are currently being deferred under provisions of the Antideficiency Act (31 U.S.C. 665) which authorize the establishment of reserves for contingencies.

Estimated Effects

Deferral of \$2.2 billion will have no program or budgetary impact, since these funds could not be obligated even if made available. Rather, the deferral of these multi-year funds assures availability of funds in future years to meet continuing program requirements.

Outlay Effect (estimated in millions of dollars)

Comparison with President's 1977 Budget:

1. Budget outlay estimate for 1976	\$2,721
2. Outlay savings, if any, included in the budget outlay estimate	0

Current Outlay Estimates for 1976:

3. Without deferral	\$2,721
4. With deferral	2,721
5. Current outlay savings (line 3 - line 4)	0

Outlay Savings for the Transition Quarter	0
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Outlay Savings for 1977	0
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Outlay Savings for 1978	0
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SUPPLEMENTARY REPORT

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

This report revises deferral No. D76-54 transmitted to the Congress on September 24, 1975, and printed as House Document No. 94-320.

This revision reflects an increase of \$188,510 in the amount deferred through June 30, 1976, for the Social Security Administration's Limitation on construction. The total amount deferred is now \$15,098,131.

More funds are being deferred due to the revised estimated obligations for fiscal year 1976.

Deferral No: D76-54A

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

Agency Department of Health, Education, and Welfare	New budget authority <u>\$6,300,000*</u> (P.L. <u>94-206</u>)
Bureau Social Security Administration	Other budgetary resources <u>34,172,131*</u>
Appropriation title & symbol Limitation on Construction 75X8705	Total budgetary resources <u>40,472,131*</u>
	Amount to be deferred:
	Part of year \$ <u> </u>
	Entire year <u>15,098,131*</u>
OMB Identification code: 09-60-8006-0-7-601	Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Other <u> </u>
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year <u> </u> (expiration date) <input checked="" type="checkbox"/> No-year	Type of budget authority: <input type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other <u> </u>

*Justification

Funds provided under the Limitation on construction of the Social Security Administration (SSA) remain available until expended in recognition of the long lead time between the provision of funds and their use in carrying out authorized construction projects. A total of \$15,098,131 is to be deferred for the entire year. Some of these funds will be apportioned for obligation in the transition quarter and the remainder are proposed, if appropriate legislation is enacted, for deferral through September 30, 1976. The amounts involved fall into three categories, discussed below.

*Funds Reprogrammed for Headquarters Construction

The Social Security Administration has requested approval of the Congress to use \$2.1 million previously authorized for district office construction for headquarters construction. This amount is needed to cover General Services Administration project management costs through completion of the two new headquarters buildings--the computer building in Woodlawn and the Metro-West building in downtown Baltimore. These buildings are being constructed under the purchase contract method and these costs cannot be paid out of purchase contract funds. Normally such costs are paid from GSA's Federal Buildings Fund and recovered by GSA through the Standard Level User Charge. Since the Congress has indicated that SSA should pay only actual costs--not SLUC--SSA is being billed directly for these charges. If Congress approves this reprogramming, \$525,000 of the \$2.1 million previously authorized for district office will be obligated in 1976. The remaining \$1,575,000 will be obligated as needed until the buildings are completed.

*Unused balances of funds provided for district office construction

A total of \$12,858,257 provided for district office construction is being proposed for future obligation. This proposal is the result of the following available funds and plans for their use and deferral:

1971 appropriation.....	\$2,800,000
1974 transfer of unused program center money.....	4,065,000
1975 transfer of unused program center money.....	5,769,000
1975 appropriation.....	4,632,000
Funds available 6/30/75.....	<u>\$17,293,000</u>
Proposed 1976 reprogramming to headquarters project.....	-2,100,000
Estimated obligations through 6/30/76	<u>-2,334,743</u>
Amount to be deferred.....	<u>\$12,858,257</u>

The district office construction program has been in a period of reevaluation since the offices constructed from 1968 and prior programs were started. New starts in the construction of district office buildings have lagged in recent years because the new Supplemental Security Income (SSI) program changed the workload patterns and introduced a greater element of uncertainty in planning for district office space needs. Further, due to rapid expansion of field facilities to meet the immediate needs of the SSI program, SSA had to acquire space quickly through lease rather than taking the longer time required for construction. SSA now plans to resume the district office construction program and is working on procedures to shorten the time involved in site selection and construction.

The estimated obligations for 1976 are for site selection and design. The \$12.9 million available for future obligation will be used for expansion of existing offices, site acquisition, and design and construction of new offices.

*Unused balances of funds provided for construction of program centers

In 1972, \$18.2 million was appropriated for direct construction of program centers in Philadelphia, Chicago and San Francisco. Subsequent to the provision of these funds, it was determined, with the concurrence of the Congress, that these centers would be built under the purchase contract method. This reduced the immediate funding requirements to \$6.1 million, thus making \$12.1 million available to meet other SSA construction requirements.

The \$18.2 million has been used in the following ways:

1972 program center appropriation	\$18,194,000
Used for program center design and GSA project management.....	-6,100,000
1974 transfer to the district office program approved by OMB and Congress.....	-4,065,000
1975 transfer to the program approved by OMB and Congress.....	-5,796,000
1976 transfer for headquarters projects approved by OMB and Congress.....	-1,147,876

Proposed use for purchase contract payments on program centers in 1976.....	-420,250
Available for future obligations.....	\$664,874

The \$664,874 remaining available will be used in the transition quarter for purchase contract payments on the program centers.

*Estimated Effects

The funds intended to be apportioned for obligation in 1976 will permit SSA to carry out its authorized construction program in an orderly manner. No currently planned construction would be delayed by this deferral. Because of the time required to plan, authorize and carry out construction activity, release of the funds at this time would be unlikely to affect the level of outlays in 1976 and would have minimal impact on 1977 outlays.

Outlay Effect (estimated in millions of dollars)

Comparison with President's 1977 Budget:

1. Budget outlay estimate for 1976.....	\$21.0
2. Outlay savings, if any, included in the budget outlay estimate.....	---

Current Outlay Estimates for 1976:

3. Without deferral.....	21.0
4. With deferral.....	21.0

5. Current outlay savings.....	---
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Outlay Savings for the Transition Quarter.....	---
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Outlay Savings for 1977.....	---
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Outlay Savings for 1978.....	---
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* Addition or revision to previous report.

Outlay Effect

The precise effect of the deferral on FY 1976 and transition quarter outlays cannot now be determined because the period during which the deferral will be in effect is uncertain. The deferral is planned to be in effect until the tasks specified in the "Justification" section above are completed. Total outlays over 1976, the transition quarter, and 1977 will not be affected by the deferral.

Outlay Effect (estimated in millions of dollars)

Comparison with President's 1977 Budget:

1. Budget outlay estimate for 1976.....	\$528.4
2. Outlay savings, if any, included in the budget outlay estimate.....	---

Current Outlay Estimates for 1976:

3. Without deferral.....	548.2
4. With deferral.....	*
5. Current outlay savings (line 3 - line 4).....	*

Outlay Savings for the Transition Quarter.....	*
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Outlay Savings for 1977.....	---
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Outlay Savings for 1978.....	---
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* Effect of the deferral cannot be estimated because its length is unknown due to its dependence on four variables all of which are difficult to estimate.