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AMENDMENTS TO THE FISCAL YEAR 1997 APPROPRIATIONS REQUESTS FOR THE DEPARTMENTS OF HOUSING AND URBAN DEVELOPMENT, JUSTICE, AND VETERANS AFFAIRS, AND THE NATIONAL BANKRUPTCY REVIEW COMMISSION

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

AMENDMENTS TO THE FY 1997 APPROPRIATIONS REQUESTS FOR THE DEPARTMENTS OF HOUSING AND URBAN DEVELOPMENT, JUSTICE, AND VETERANS AFFAIRS, AND THE NATIONAL BANKRUPTCY REVIEW COMMISSION, PURSUANT TO 31 U.S.C. 1107



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WASHINGTON : 1996

THE WHITE HOUSE,
Washington, July 10, 1996.

Speaker of the House of Representatives.

SIR: I ask the Congress to consider amendments to the FY 1997 appropriations requests for the Departments of Housing and Urban Development, Justice, and Veterans Affairs, and the National Bankruptcy Review Commission. These amendments would not affect the proposed discretionary budget totals.

In addition, I am proposing FY 1996 supplemental language that would increase the Government National Mortgage Association (Ginnie Mae) loan guarantee commitment authority by \$20 billion.

The details of these actions are set forth in the enclosed letter from the Acting Director of the Office of Management and Budget. I concur with his comments and observations.

Sincerely,

WILLIAM J. CLINTON.

Enclosure.



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

July 10, 1996

The President

The White House

Submitted for your consideration are amendments to your FY 1997 appropriations requests for the Departments of Housing and Urban Development, Justice, and Veterans Affairs, and the National Bankruptcy Review Commission. In total, these amendments would not affect the proposed discretionary budget totals.

As described in the enclosures, the proposed amendments would make the following changes to the pending FY 1997 requests:

Department of Housing and Urban Development (HUD)

- o Two offsetting amendments are proposed for Public and Indian Housing programs that would reallocate \$50 million from the Public Housing Capital Fund Bonus Program to the Drug Elimination Grants for Low-Income Housing program. These additional resources would enable the Department to assist more public housing agencies that need help in crime prevention and to address those needs more effectively without having to reduce the number of grants awarded.
- o An amendment for the Community Development Block Grants Fund would make the following changes to the pending request: (1) increase the set-aside for the Youthbuild program from \$20 million to \$40 million; (2) decrease correspondingly the set-aside for grants to underserved areas; and (3) provide \$30.2 million, to be derived by

(3)

(3)

transfer from the Homeownership and Opportunity for People Everywhere Grants (HOPE) program, to be used for supportive services to aid low-income families and individuals in assisted housing to become self-sufficient.

- o Two offsetting amendments are proposed that would reallocate \$25 million from the HOME Fund Challenge Grant program to the Housing Opportunities for Persons with AIDS (HOPWA) program. The increased funding for the HOPWA program would enable communities to serve better the increasing demand for housing and related services by persons living with AIDS and their families.

Department of Veterans Affairs

- o Three amendments are proposed to fund mandatory payments of veterans benefits during FY 1997. The proposals reflect higher caseload estimates than were assumed in the FY 1997 Budget and would provide: (1) \$43 million for the Compensation program; (2) \$130.4 million for the Pensions program; and (3) \$150 million for Readjustment Benefits.

National Bankruptcy Review Commission

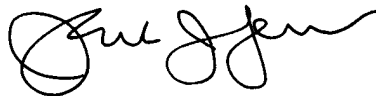
- o The proposed amendment would provide \$0.5 million for the National Bankruptcy Review Commission in FY 1997. The Bankruptcy Reform Act of 1994 authorized \$1.5 million in funding for the Commission. To date, the Commission has received \$1 million in appropriations. The additional funding would allow the Commission to continue conducting meetings with the bankruptcy community, and to hire the additional staff necessary to conduct research and prepare the Commission's final report. This increase would be offset by a corresponding decrease in the pending request for the Federal Prison System in the Department of Justice.

In addition, this package contains an FY 1996 supplemental proposal that would increase the Government National Mortgage Association (Ginnie Mae) loan guarantee commitment authority by \$20 billion. This increase is needed to enable Ginnie Mae to meet the increasing demand of the lending community without

disruption to borrowers seeking Government insured or guaranteed financing in FY 1996. Since the program does not receive a Federal subsidy, under Federal Credit Reform Act scoring rules, this proposal does not require additional budget authority and would not affect outlays.

I have carefully reviewed these proposals and am satisfied that they are necessary at this time. Therefore, I join the heads of the affected departments and agencies in recommending that the proposals be transmitted to Congress.

Sincerely,



Jacob J. Lew
Acting Director

Enclosures

Agency:	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Bureau:	PUBLIC AND INDIAN HOUSING
Heading:	Public Housing Capital Fund Bonus Program
FY 1997 Budget Appendix Page:	506
FY 1997 Pending Request:	\$500,000,000
Proposed Amendment:	-\$50,000,000
Revised Request:	\$450,000,000

This amendment would decrease the appropriations request for the Public Housing Capital Fund Bonus Program by \$50 million. These resources would instead be used in the Drug Elimination Grants for Low-Income Housing program, as proposed in the accompanying budget amendment. Together, the amendments would not affect the proposed budget totals.

Agency:	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Bureau:	PUBLIC AND INDIAN HOUSING
Heading:	Drug Elimination Grants for Low-Income Housing
FY 1997 Budget Appendix Page:	507
FY 1997 Pending Request:	\$290,000,000
Proposed Amendment:	\$50,000,000
Revised Request:	\$340,000,000

This amendment would increase the appropriations request for the Drug Elimination Grants for Low-Income Housing program by \$50 million. These additional resources would enable the Department to assist more public housing agencies that need help in crime prevention and to address more effectively those needs without having to reduce the number of grants awarded.

An accompanying budget amendment would decrease correspondingly the pending request for the Public Housing Capital Fund Bonus Program. Together, the amendments would not affect the proposed budget totals.

Agency: DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT

Bureau: COMMUNITY PLANNING AND DEVELOPMENT

Heading: Community Development Block Grants Fund

FY 1997 Budget
Appendix Page: 511

FY 1997
Pending Request: \$4,600,000,000

Proposed Amendment: \$30,170,000

Revised Request: \$4,630,170,000

(In the appropriations language under the above heading, after "\$4,600,000,000" delete the comma and substitute ; and in addition, \$30,170,000, to be derived by transfer from "Homeownership and Opportunity for People Everywhere Grants (HOPE Grants), " which shall be added to and merged with the foregoing amount, the total; after September 30, 1999 delete ", of which" and substitute ; Provided, That from the total amount provided; delete "\$20,000,000" and substitute \$40,000,000; delete "and \$50,000,000" and substitute \$30,000,000; after "Native Americans" insert ; and \$30,170,000 shall be for supportive services for low-income families and individuals in assisted housing to become self-sufficient; and insert further after "Provided".)

This amendment would make the following changes to the pending FY 1997 appropriations request:

- o Increase the set-aside for the Youthbuild program from \$20 million to \$40 million;
- o Decrease correspondingly the set-aside for grants to underserved areas; and
- o Provide \$30.2 million, to be derived by transfer from the Homeownership and Opportunity for People Everywhere Grants (HOPE) program, to be used for supportive services to aid low-income families and individuals in assisted housing to become self-sufficient. The Department intends to utilize the funding for supportive services following the same terms and conditions as contained in P.L. 104-134 under the Community Development Grants heading.

The proposed budget totals would not be affected by this amendment.

Agency: DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT

Bureau: COMMUNITY PLANNING AND DEVELOPMENT

Heading: Housing Opportunities for Persons
with AIDS

FY 1997 Budget
Appendix Page: 511

FY 1997
Pending Request: \$171,000,000

Proposed Amendment: \$25,000,000

Revised Request: \$196,000,000

This amendment would increase the appropriations request for the Housing Opportunities for Persons with AIDS (HOPWA) program by \$25 million in order to serve better the increasing demand for housing and related services by persons living with AIDS and their families. The proposal reflects current estimates that the number of persons requiring HOPWA program assistance will be as much as one-third larger in FY 1997 than under current operations. In addition, improvements in AIDS-related treatments have increased the longevity of persons living with AIDS and, consequently, the number of jurisdictions entitled to formula funding is expected to increase by 21 percent over FY 1995.

An accompanying budget amendment would decrease correspondingly the pending request for the HOME Fund Challenge Grant program. Together, the amendments would not affect the proposed budget totals.

Agency: DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT

Bureau: COMMUNITY PLANNING AND DEVELOPMENT

Heading: HOME Fund Challenge Grant

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Page: 16

FY 1997

Pending Request: \$135,000,000

Proposed Amendment: -\$25,000,000

Revised Request: \$110,000,000

This amendment would decrease the appropriations request for the HOME Fund Challenge Grant program by \$25 million. These resources would instead be used in the Housing Opportunities for Persons with AIDS program, as proposed in the accompanying budget amendment. Together, the amendments would not affect the proposed budget totals.

Agency:	DEPARTMENT OF VETERANS AFFAIRS
Bureau:	VETERANS BENEFITS ADMINISTRATION
Heading:	Compensation
FY 1997 Budget	
Appendix Page:	838
FY 1997	
Pending Request:	\$15,393,198,000
Proposed Amendment:	\$43,000,000
Revised Request:	\$15,436,198,000

This amendment would increase the pending Compensation appropriations request by \$43 million to fund mandatory payments of veterans benefits during FY 1997. The increase is associated with technical reestimates in entitlements based on higher-than-expected caseload.

Agency:	DEPARTMENT OF VETERANS AFFAIRS
Bureau:	VETERANS BENEFITS ADMINISTRATION
Heading:	Pensions
FY 1997 Budget	
Appendix Page:	839
FY 1997	
Pending Request:	\$2,986,932,000
Proposed Amendment:	\$130,405,000
Revised Request:	\$3,117,337,000

This amendment would increase the pending Pensions appropriations request by \$130.4 million to fund mandatory payments of veterans benefits during FY 1997. The increase is associated with technical reestimates in entitlements based on higher-than-expected caseload.

Agency: DEPARTMENT OF VETERANS AFFAIRS
Bureau: VETERANS BENEFITS ADMINISTRATION
Heading: Readjustment Benefits
FY 1997 Budget
Appendix Page: 841
FY 1997
Pending Request: \$1,227,000,000
Proposed Amendment: \$150,000,000
Revised Request: \$1,377,000,000

This amendment would increase the pending Readjustment Benefits appropriations request by \$150 million to fund mandatory payments of veterans benefits during FY 1997. The increase is associated with technical reestimates in entitlements based on higher-than-expected caseload.

Agency: NATIONAL BANKRUPTCY REVIEW COMMISSION

Heading: Salaries and Expenses

FY 1997 Budget
Appendix Page: 1013

FY 1997
Pending Request: ---

Proposed Amendment: \$500,000

Revised Request: \$500,000

(Under the above heading, insert the following appropriations language:)

For necessary expenses of the National Bankruptcy Review Commission, as authorized by the Bankruptcy Reform Act of 1994, \$500,000.

The Bankruptcy Reform Act of 1994 authorized \$1.5 million in funding for the National Bankruptcy Review Commission over the life of the Commission, of which the Commission has received \$1 million to date. This proposal would provide the remaining \$0.5 million. This funding would allow the Commission to continue conducting meetings with the bankruptcy community, and to hire the additional staff necessary to conduct research and prepare the Commission's final report.

An accompanying budget amendment would decrease correspondingly the pending request for the Department of Justice's Federal Prison System. Together, the amendments would not affect the proposed budget totals.

Agency:	DEPARTMENT OF JUSTICE
Bureau:	FEDERAL PRISON SYSTEM
Heading:	Salaries and Expenses
FY 1997 Budget	
Appendix Page:	659
FY 1997	
Pending Request:	\$2,888,316,000
Proposed Amendment:	-\$500,000
Revised Request:	\$2,887,816,000

Due to delays in the opening of certain prison facilities, there will be surplus funds in this account in FY 1997. The resources identified would instead be used for the National Bankruptcy Review Commission. Together, the amendments would not affect the proposed budget totals.

FY 1996 Supplemental Proposal

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

Guarantees of Mortgage Backed Securities Loan Guarantee
Program Account

During fiscal year 1996 and in addition to commitments previously provided, additional commitments to issue guarantees to carry out section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed \$20,000,000,000.

This supplemental proposal would increase the Government National Mortgage Association (Ginnie Mae) mortgage-backed securities (MBS) commitment limitation by \$20 billion -- from the \$110 billion provided in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996, to \$130 billion. This increase in commitment limitation is needed to provide Ginnie Mae with adequate commitment authority to meet the increasing demand of the lending community without disruption to borrowers seeking Government insured or guaranteed financing in FY 1996. This proposal does not require additional budget authority and would not increase outlays.