

105th Congress, 2d Session - - - - - House Document 105-228

FISCAL YEAR 1998 SUPPLEMENTAL APPROPRIATION  
REQUESTS

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COMMUNICATION

FROM

**THE PRESIDENT OF THE UNITED STATES**

TRANSMITTING

HIS REQUESTS FOR A FISCAL YEAR 1998 SUPPLEMENTAL APPROPRIATION FOR THE DEPARTMENT OF AGRICULTURE AND FISCAL YEAR 1999 BUDGET AMENDMENTS FOR THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND THE OFFICE OF MANAGEMENT AND BUDGET, PURSUANT TO 31 U.S.C. 1107



MARCH 16, 1998.—Referred to the Committee on Appropriations and  
ordered to be printed

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59-012

WASHINGTON : 1998

THE WHITE HOUSE,  
*Washington, March 9, 1998.*

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I ask Congress to consider the enclosed requests for a FY 1998 supplemental appropriation for the Department of Agriculture and FY 1999 budget amendments for the Department of Housing and Urban Development and the Office of Management and Budget.

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

Sincerely,

WILLIAM J. CLINTON.

Enclosure.



Estimate No. 4  
105th Congress, 2nd Session



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

THE DIRECTOR

March 9, 1998

The President

The White House

Submitted for your consideration is a request for an FY 1998 supplemental appropriation for the Department of Agriculture (USDA) and amendments to the pending FY 1999 appropriations requests for the Department of Housing and Urban Development (HUD) and the Office of Management and Budget (OMB).

The supplemental request of \$6.7 million in budget authority for USDA's Agricultural Credit Insurance Program would finance the following additional loan amounts: (1) \$39 million in farm ownership direct loans; (2) \$25 million in farm ownership guaranteed loans; and, (3) \$10 million in farm operating direct loans. USDA estimates that amounts provided through the FY 1998 Department of Agriculture and Related Agencies Appropriations Act for the direct loan programs will be exhausted by this Spring. Similarly, farm ownership guaranteed loans are expected to be exhausted by the end of June. A major portion of these funds are targeted to beginning and socially-disadvantaged family farmers, and were recommended to be increased in USDA's Civil Rights Action Team Report to the Secretary. The increased budget authority would be offset from subsidy amounts provided for guaranteed loans for farm operating expenses.

An FY 1999 language amendment is proposed that would give HUD the authority to allow Public Housing Authorities to provide for the flexible use of public housing resources under the Public Housing Capital Fund. It would allow the Department to continue to provide for mixed-finance developments through FY 1999. This amendment would not affect the proposed budget totals.

Your FY 1999 Budget included an allowance for \$2 million for a budget amendment to be transmitted to the Congress later for improving OMB information systems. We have now completed our review of OMB's information systems requirements and are prepared to move forward with this budget amendment for \$1.6 million. The amendment will reduce the budget totals by \$0.4 million in budget authority and outlays.

I have carefully reviewed these proposals and am satisfied that they are necessary at this time. Therefore, I join the Secretary of Agriculture and the Secretary of Housing and Urban Development in recommending that you transmit the proposals to the Congress.

Sincerely,

A handwritten signature in black ink, appearing to read 'F. D. Raines', with a stylized flourish at the end.

Franklin D. Raines  
Director

Enclosures

*FY 1998 SUPPLEMENTAL REQUEST*

## DEPARTMENT OF AGRICULTURE

## FARM SERVICE AGENCY

## Agricultural Credit Insurance Fund Program Account

For an additional amount for "Agricultural Credit Insurance Fund Program Account," for the cost of direct and guaranteed loans authorized by 7 U.S.C. 1928-1929, including the cost of modifying such loans as defined in section 502 of the Congressional Budget Act of 1974, as follows: farm ownership loans, \$6,110,197, of which \$966,197 shall be for guaranteed loans; and direct operating loans, \$626,000: Provided, That the amounts provided under this heading in Public Law 105-86 for unsubsidized guaranteed operating loans authorized by 7 U.S.C. 1928-1929 shall be reduced by \$6,736,197.

This supplemental request of \$6.7 million in budget authority would finance an additional \$39 million in farm ownership direct loans, \$25 million in additional farm ownership guaranteed loans, and \$10 million in additional farm operating direct loans. The Department of Agriculture (USDA) estimates that amounts provided through the FY 1998 Department of Agriculture Appropriations Act for the direct loan programs will be exhausted by this Spring, leaving a significant number of applicants unable to secure financing needed for farm operating and acquisition expenses for the current crop year. Similarly, farm ownership guaranteed loans are expected to be exhausted by the end of June, leaving an estimated 700 qualifying family farmers without financing for at least another year. The requested supplemental amounts would increase loan levels for these programs up to the amounts proposed for FY 1999 in the President's budget. A major portion of these funds are targeted to beginning and socially-disadvantaged family farmers, and were recommended to be increased in USDA's Civil Rights Action Team Report to the Secretary.

The cost of this increase would be offset from subsidy amounts provided for guaranteed loans for farm operating expenses. While these subsidy amounts can revert to use as subsidies for direct loans to beginning farmers at the end of the Summer, this reversion would come too late to be of assistance for the current crop year.

*FY 1999 BUDGET AMENDMENT*

Agency:	EXECUTIVE OFFICE OF THE PRESIDENT
Bureau:	OFFICE OF MANAGEMENT AND BUDGET
Heading:	Salaries and Expenses
FY 1999 Budget Appendix Page:	896
FY 1999 Pending Request:	\$59,017,000
Proposed Amendment:	\$1,600,000
Revised Request:	\$60,617,000

This proposal would provide additional resources that will permit OMB to move its mission-critical budget systems, which are used to prepare the President's annual budget to Congress, to another, larger data center. These actions will complete OMB's migration off the Office of Administration's (OA's) mainframe computer and will provide a more stable and cost-effective environment, resulting in improved performance. The move will permit the application of new technologies in the production of the President's budget. The move of OMB's budget systems will allow OA to focus its resources on information technology requirements for the other Executive Office of the President agencies. Prior to migration, OA will ensure that OMB budget systems are year 2000 compliant.

The President's FY 1999 Budget included an allowance for \$2 million for a budget amendment to be transmitted to the Congress later for improving OMB information systems. This amendment would reduce the budget totals by \$400,000 in budget authority and outlays.

*FY 1999 BUDGET AMENDMENT*

Agency: DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Heading: Administrative Provisions

FY 1999 Budget  
Appendix Page: 486

FY 1999  
Pending Request: ---

Proposed Amendment: Language

Revised Request: ---

(In the appropriations language under the above heading, insert the following new administrative provision as section 201(d), after section 201(c):)

(d) PUBLIC HOUSING FUNDING FLEXIBILITY. -- Section 201(a)(2) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996, is amended to read as follows:

"(2) APPLICABILITY. -- Section 14(q) of the United States Housing Act of 1937 shall be effective only with respect to assistance provided from funds made available for fiscal year 1999 or any preceding fiscal year, except that the authority in the first sentence of section 14(q)(1) to use up to 10 percent of the allocation of certain funds for any operating subsidy purpose shall not apply to amounts made available for fiscal years 1998 and 1999."

This amendment would give the Department of Housing and Urban Development the authority to allow Public Housing Authorities (PHAs) to provide for the flexible use of public housing resources under the Public Housing Capital Fund. It would allow the Department to continue to provide for mixed-finance developments through FY 1999. PHAs would not be permitted to use up to 10 percent of certain funds for any operating subsidy purpose in FYs 1998 and 1999.

This amendment would not affect the proposed budget totals.