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DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGEN- CIES APPROPRIATIONS BILL, 2000

SEPTEMBER 16, 1999.—Ordered to be printed

Mr. BOND, from the Committee on Appropriations,
submitted the following

REPORT

[To accompany S. 1596]

The Committee on Appropriations reports the bill (S. 1596) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2000, and for other purposes, reports favorably thereon and recommends that the bill do pass.

Amount of new budget (obligational) authority

Amount of bill as reported to Senate	\$97,214,196,000
Amount of appropriations to date, 1999	94,721,961,000
Amount of budget estimates, 2000	99,676,504,000
Under estimates for 2000	– 2,462,308,000
Above appropriations for 1999	+ 2,492,235,000

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INTRODUCTION

The Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies appropriations bill for fiscal year 2000 provides a total of \$97,214,196,000, including approximately \$23,396,626,000 in mandatory spending. The Committee did its best to meet all important priorities within the bill, with the highest priority given to veterans programs and section 8 contract renewals. Other priorities included maintaining environmental programs at or above current year levels, ensuring adequate funds for our Nation's space and scientific research programs, and providing adequate funding for emergency management and disaster relief.

As recommended by the Committee, this bill attempts to provide a fair and balanced approach to the many competing programs and activities under the VA-HUD subcommittee's jurisdiction within the constraints imposed by a very tight budget allocation, including constraints dictated by the 1997 budget agreement designed to result in a unified Federal budget in fiscal year 2002.

The Committee recommendation provides \$20,354,058,000 in discretionary funding for the Department of Veterans Affairs, an increase of \$1,107,793,000 above the fiscal year 1999 enacted level and \$1,164,000,000 above the budget request. The Committee has made veterans programs the highest priority in the bill. Increases in VA programs include \$1,100,000,000 above the budget request for medical care, \$50,000,000 above the request for the State home program, and \$14,000,000 above the request for the state cemetery grant program.

For the Department of Housing and Urban Development, the Committee recommendation totals \$27,155,816,000, an increase of \$2,486,483,000 over the fiscal year 1999 enacted level. The Committee has provided fair and needed funding for all HUD programs while also providing the needed funding for all expiring section 8 contracts.

For the Environmental Protection Agency, the Committee recommendation totals \$7,322,378,000, a decrease of \$26,974,000 below the fiscal year 1999 enacted level and an increase of \$115,732,000 above the budget request. Major changes from the President's request include an increase of \$550,000,000 for clean water State revolving funds and a decrease of \$100,000,000 below the request for Superfund.

The Committee recommendation includes \$854,580,000 for the Federal Emergency Management Agency, including additional funds for emergency food and shelter, anti-terrorism, and fire program enhancements.

The Committee recommendation for the National Aeronautics and Space Administration totals \$13,378,400,000. This amount is the same as the President's request. The Committee recommenda-

tion includes a restructuring of NASA's appropriation accounts to ensure greater accountability of the international space station program and to protect other vital NASA programs.

For the National Science Foundation, the Committee recommendation totals \$3,921,450,000, an increase of \$250,250,000 above the fiscal year 1999 enacted level. The Committee views NSF as a key investment in the future and this funding is intended to reaffirm the strong and longstanding leadership of this Committee in support of scientific research and education.

The Committee strongly supports the Offices of Inspector General [OIG] and their efforts to combat fraud, waste and abuse, and promote economy, efficiency and effectiveness of programs. Therefore, the Committee has provided significant increases to the Offices of Inspector General wherever necessary to enhance such activities. Increases over the fiscal year 1999 level include \$7,200,000 or 20 percent for the VA OIG, \$3,000,000 or 10 percent for the EPA OIG, and \$2,615,000 or 48 percent for the FEMA OIG. The bill also includes a new \$10,000,000 audit account for the HUD IG to investigate longstanding accounting deficiencies at HUD. The additional resources will be focused on high priority concerns identified by Congress, OMB, and the agencies.

REPROGRAMMING AND INITIATION OF NEW PROGRAMS

The Committee continues to have a particular interest in being informed of reprogrammings which, although they may not change either the total amount available in an account or any of the purposes for which the appropriation is legally available, represent a significant departure from budget plans presented to the Committee in an agency's budget justifications.

Consequently, the Committee directs the Departments of Veterans Affairs and Housing and Urban Development, and the agencies funded through this bill, to notify the chairman of the Committee prior to each reprogramming of funds in excess of \$250,000 between programs, activities, or elements unless an alternate amount for the agency or department in question is specified elsewhere in this report. The Committee desires to be notified of reprogramming actions which involve less than the above-mentioned amounts if such actions would have the effect of changing an agency's funding requirements in future years or if programs or projects specifically cited in the Committee's reports are affected. Finally, the Committee wishes to be consulted regarding reorganizations of offices, programs, and activities prior to the planned implementation of such reorganizations.

The Committee also expects the Departments of Veterans Affairs and Housing and Urban Development, as well as the Corporation for National and Community Service, the Environmental Protection Agency, the Federal Emergency Management Agency, the National Aeronautics and Space Administration, the National Science Foundation, and the Consumer Product Safety Commission, to submit operating plans, signed by the respective secretary, administrator, or agency head, for the Committee's approval within 30 days of the bill's enactment. Other agencies within the bill should continue to submit operating plans consistent with prior year policy.

GOVERNMENT PERFORMANCE AND RESULTS ACT

The Committee remains very concerned regarding the compliance of the major agencies within the jurisdiction of the Appropriations Subcommittee on VA, HUD, and Independent Agencies with regard to the Government Performance and Results Act [GPRA]. While each agency has made progress toward compliance with GPRA, each has additional progress to make. Each agency must do better at providing objective, measurable goals for all program activities and projects, and each budget justification must tie these goals into a coherent set of funding requests.

TITLE I—DEPARTMENT OF VETERANS AFFAIRS

Appropriations, 1999	\$42,625,039,000
Budget estimate, 2000	42,586,684,000
Committee recommendation	43,750,684,000

GENERAL DESCRIPTION

The Veterans Administration was established as an independent agency by Executive Order 5398 of July 21, 1930, in accordance with the Act of July 3, 1930 (46 Stat. 1016). This act authorized the President to consolidate and coordinate Federal agencies especially created for or concerned with the administration of laws providing benefits to veterans, including the Veterans' Bureau, the Bureau of Pensions, and the National Home for Disabled Volunteer Soldiers. On March 15, 1989, VA was elevated to Cabinet-level status as the Department of Veterans Affairs.

The VA's mission is to serve America's veterans and their families as their principal advocate in ensuring that they receive the care, support, and recognition they have earned in service to the Nation. The VA's operating units include the Veterans Health Administration, Veterans Benefits Administration, National Cemetery Administration, and staff offices.

The Veterans Health Administration develops, maintains, and operates a national health care delivery system for eligible veterans; carries out a program of education and training of health care personnel; carries out a program of medical research and development; and furnishes health services to members of the Armed Forces during periods of war or national emergency. A system of 172 medical centers, 811 outpatient clinics, 132 nursing homes, and 40 domiciliaries is maintained to meet the VA's medical mission.

The Veterans Benefits Administration provides an integrated program of nonmedical veteran benefits. This Administration administers a broad range of benefits to veterans and other eligible beneficiaries through 58 regional offices and the records processing center in St. Louis, MO. The benefits provided include: compensation for service-connected disabilities; pensions for wartime, needy, and totally disabled veterans; vocational rehabilitation assistance; educational and training assistance; home buying assistance; estate protection services for veterans under legal disability; information and assistance through personalized contacts; and six life insurance programs.

The National Cemetery Administration provides for the interment in any national cemetery with available grave space the remains of eligible deceased servicepersons and discharged veterans; permanently maintains these graves; marks graves of eligible persons in national and private cemeteries; and administers the grant program for aid to States in establishing, expanding, or improving

State veterans' cemeteries. The National Cemetery System includes 153 cemeterial installations and activities.

Other VA offices, including the general counsel, inspector general, Boards of Contract Appeals and Veterans Appeals, and the general administration, support the Secretary, Deputy Secretary, Under Secretary for Health, Under Secretary for Benefits, and the Under Secretary for Memorial Affairs.

COMMITTEE RECOMMENDATION

The Committee recommends \$43,750,684,000 for the Department of Veterans Affairs, including \$23,396,626,000 in mandatory spending and \$20,354,058,000 in discretionary spending. The amount provided for discretionary activities represents an increase of \$1,164,000,000 above the budget request and \$1,107,793,000 above the fiscal year 1999 enacted level. The Committee has given VA programs—especially medical care—the highest priority in the bill. Increases above the President's request are recommended for medical care, state home construction grants, and state cemetery grants. The appropriation for VA will ensure the highest quality care and services to our Nation's veterans, and honor and dignity to those who are deceased.

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1999	\$21,857,058,000
Budget estimate, 2000	21,568,364,000
Committee recommendation	21,568,364,000

PROGRAM DESCRIPTION

Compensation is payable to living veterans who have suffered impairment of earning power from service-connected disabilities. The amount of compensation is based upon the impact of disabilities on earning capacity. Death compensation or dependency and indemnity compensation is payable to the surviving spouses and dependents of veterans whose deaths occur while on active duty or result from service-connected disabilities. A clothing allowance may also be provided for service-connected veterans who use a prosthetic or orthopedic device.

Pensions are an income security benefit payable to needy wartime veterans who are precluded from gainful employment due to non-service-connected disabilities which render them permanently and totally disabled. Under the Omnibus Budget Reconciliation Act of 1990, veterans 65 years of age or older are no longer considered permanently and totally disabled by law and are thus subject to a medical evaluation. Death pensions are payable to needy surviving spouses and children of deceased wartime veterans. The rate payable for both disability and death pensions is determined on the basis of the annual income of the veteran or his survivors.

This account also funds burial benefits and miscellaneous assistance.

COMMITTEE RECOMMENDATION

The Committee has provided \$21,568,364,000 for compensation and pensions. This is a decrease of \$288,694,000 below the fiscal year 1999 enacted level and the same as the budget estimate.

The estimated caseload and cost by program follows:

COMPENSATION AND PENSIONS

	1999	2000	Difference
Caseload:			
Compensation:			
Veterans	2,273,901	2,267,620	— 6,281
Survivors	302,748	300,001	— 2,747
Children	633	633	.....
(Clothing allowance)	(76,627)	(76,416)	— 211
Pensions:			
Veterans	387,952	380,995	— 6,957
Survivors	282,715	267,945	— 14,770
Minimum income for widows (non-add)	(675)	(670)	— 5
Vocational training (non-add)	(15)	(8)	— 7
Burial allowances	92,310	91,380	— 930
Funds:			
Compensation:			
Veterans	\$14,796,699,000	\$15,119,868,000	+ \$323,169,000
Survivors	3,470,343,000	3,570,531,000	+ 100,188,000
Children	7,463,000	7,684,000	+ 221,000
Clothing allowance	40,494,000	40,382,000	— 112,000
Payment to GOE (Public Laws 101–508 and 102–568)	1,419,000	1,388,000	— 31,000
Medical exams pilot program (Public Law 104–275)	17,152,000	20,147,000	+ 2,995,000
Pensions:			
Veterans	2,366,613,000	2,419,078,000	+ 52,465,000
Survivors	717,596,000	697,470,000	— 20,126,000
Minimum income for widows ..	3,429,000	3,479,000	+ 50,000
Vocational training	42,000	23,000	— 19,000
Payment to GOE (Public Laws 101–508, 102–568, and 103–446)	9,552,000	9,344,000	— 208,000
Payment to Medical Care (Public Laws 101–508 and 102–568)	6,793,000	7,200,000	+ 407,000
Payment to Medical Facilities	4,676,000	2,436,000	— 2,240,000
Burial benefits	126,793,000	120,077,000	— 6,716,000
Other assistance	2,466,000	2,466,000	.....
Contingency .....	.....	.....	.....
Unobligated balance and transfers	285,527,000	— 453,208,000	— 738,735,000
Total appropriation	¹ 21,857,058,000	¹ 21,568,365,000	¹ — 288,694,000

¹ Totals do not add down due to rounding.

The appropriation includes \$38,079,000 in payments to the “General operating expenses” and “Medical care” accounts for expenses related to implementing provisions of the Omnibus Budget Reconciliation Act of 1990, the Veterans’ Benefits Act of 1992, the Veterans’ Benefits Improvements Act of 1994, and the Veterans’ Bene-

fits Improvements Act of 1996. The amount also includes funds for a projected fiscal year 2000 cost-of-living increase of 2.4 percent for pension recipients.

The bill includes language permitting this appropriation to reimburse such sums as may be necessary, estimated at \$2,436,000, to the medical facilities revolving fund to help defray the operating expenses of individual medical facilities for nursing home care provided to pensioners, should authorizing legislation be enacted.

The Committee has not included language proposed by the administration that would provide indefinite fiscal year 2000 supplemental appropriations after June 30, 2000 for compensation and pensions. The Committee has also rejected proposed bill language to split this account into three separate appropriation accounts.

READJUSTMENT BENEFITS

Appropriations, 1999	\$1,175,000,000
Budget estimate, 2000	1,469,000,000
Committee recommendation	1,469,000,000

PROGRAM DESCRIPTION

The readjustment benefits appropriation finances the education and training of veterans and servicepersons whose initial entry on active duty took place on or after July 1, 1985. These benefits are included in the All-Volunteer Force Educational Assistance Program (Montgomery GI bill) authorized under 38 U.S.C. 30. Eligibility to receive this assistance began in 1987. Basic benefits are funded through appropriations made to the readjustment benefits appropriation and transfers from the Department of Defense. Supplemental benefits are also provided to certain veterans and this funding is available from transfers from the Department of Defense. This account also finances vocational rehabilitation, specially adapted housing grants, automobile grants with the associated approved adaptive equipment for certain disabled veterans, and finances educational assistance allowances for eligible dependents of those veterans who died from service-connected causes or have a total permanent service-connected disability as well as dependents of servicepersons who were captured or missing in action.

COMMITTEE RECOMMENDATION

The Committee has recommended the budget estimate of \$1,469,000,000 for readjustment benefits. The amount recommended is an increase of \$294,000,000 above the fiscal year 1999 enacted level.

The estimated caseload and cost for this account follows:

READJUSTMENT BENEFITS

	1999	2000	Difference
Number of trainees:			
Education and training: Dependents	44,100	45,600	+ 1,500
All-Volunteer Force educational assistance:			
Veterans and servicepersons	289,000	281,000	— 8,000

READJUSTMENT BENEFITS—Continued

	1999	2000	Difference
Reservists	74,200	73,000	— 1,200
Vocational rehabilitation	51,440	50,726	— 714
Total	458,740	450,326	— 8,414
Funds:			
Education and training: Dependents	\$132,182,000	\$136,574,000	+ \$4,392,000
All-Volunteer Force educational assistance:			
Veterans and servicepersons	904,665,000	896,804,000	— 7,861,000
Reservists	105,876,000	107,986,000	+ 2,110,000
Vocational rehabilitation	403,206,000	405,855,000	+ 2,649,000
Housing grants	19,373,000	19,373,000	.....
Automobiles and other conveyances	6,494,000	6,494,000	.....
Adaptive equipment	26,600,000	31,700,000	+ 5,100,000
Work-study	34,500,000	39,900,000	+ 5,400,000
Payment to States	13,000,000	13,000,000	.....
Reporting fees .....	.....	3,600,000	+ 3,600,000
Unobligated balance and other adjustments	— 470,896,000	— 192,286,000	+ 278,610,000
Total appropriation	1,175,000,000	1,469,000,000	+ 294,000,000

VETERANS INSURANCE AND INDEMNITIES

Appropriations, 1999	\$46,450,000
Budget estimate, 2000	28,670,000
Committee recommendation	28,670,000

PROGRAM DESCRIPTION

The veterans insurance and indemnities appropriation is made up of the former appropriations for military and naval insurance, applicable to World War I veterans; National Service Life Insurance, applicable to certain World War II veterans; Servicemen's indemnities, applicable to Korean conflict veterans; and veterans mortgage life insurance to individuals who have received a grant for specially adapted housing.

COMMITTEE RECOMMENDATION

The Committee has provided \$28,670,000 for veterans insurance and indemnities, as requested by the administration. This is a decrease of \$17,780,000 below the fiscal year 1999 enacted level. The Department estimates there will be 4,486,887 policies in force in fiscal year 2000 with a total value of \$459,619,000.

VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

	Program account	Administrative expenses
Appropriations, 1999	\$300,266,000	\$159,121,000
Budget estimate, 2000	282,342,000	156,958,000
Committee recommendation	282,342,000	156,958,000

PROGRAM DESCRIPTION

This appropriation provides for all costs, with the exception of the Native American Veteran Housing Loan Program, of VA's direct and guaranteed loans, as well as the administrative expenses to carry out these programs, which may be transferred to and merged with the general operating expenses appropriation.

VA loan guaranties are made to service members, veterans, reservists and unremarried surviving spouses for the purchase of homes, condominiums, manufactured homes and for refinancing loans. VA guarantees part of the total loan, permitting the purchaser to obtain a mortgage with a competitive interest rate, even without a downpayment if the lender agrees. VA requires that a downpayment be made for a manufactured home. With a VA guaranty, the lender is protected against loss up to the amount of the guaranty if the borrower fails to repay the loan.

COMMITTEE RECOMMENDATION

The Committee recommends such sums as may be necessary for funding subsidy payments, estimated to total \$282,342,000, and \$156,958,000 for administrative expenses. The administrative expenses may be transferred to the "General operating expenses" account. Bill language limits gross obligations for direct loans for specially adopted housing to \$300,000.

EDUCATION LOAN FUND PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

	Program account	Administrative expenses
Appropriations, 1999	\$1,000	\$206,000
Budget estimate, 2000	1,000	214,000
Committee recommendation	1,000	214,000

PROGRAM DESCRIPTION

This appropriation covers the cost of direct loans for eligible dependents and, in addition, it includes administrative expenses necessary to carry out the direct loan program. The administrative funds may be transferred to and merged with the appropriation for the general operating expenses to cover the common overhead expenses.

COMMITTEE RECOMMENDATION

The bill includes \$1,000 for funding subsidy program costs and \$214,000 for administrative expenses. The administrative expenses may be transferred to and merged with the "General operating expenses" account. Bill language is included limiting program direct loans to \$3,000.

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Program account	Administrative expenses
Appropriations, 1999	\$55,000	\$400,000
Budget estimate, 2000	57,000	415,000
Committee recommendation	57,000	415,000

PROGRAM DESCRIPTION

This appropriation covers the funding subsidy cost of direct loans for vocational rehabilitation of eligible veterans and, in addition, it includes administrative expenses necessary to carry out the direct loan program. Loans of up to \$827 (based on indexed chapter 31 subsistence allowance rate) are available to service-connected disabled veterans enrolled in vocational rehabilitation programs as provided under 38 U.S.C. chapter 31 when the veteran is temporarily in need of additional assistance. Repayment is made in 10 monthly installments, without interest, through deductions from future payments of compensation, pension, subsistence allowance, educational assistance allowance, or retirement pay.

COMMITTEE RECOMMENDATION

The bill includes the requested \$57,000 for program costs and \$415,000 for administrative expenses for the Vocational Rehabilitation Loans Program account. The administrative expenses may be transferred to and merged with the "General operating expenses" account. Bill language is included limiting program direct loans to \$2,531,000. It is estimated that VA will make 4,600 loans in fiscal year 2000, with an average amount of \$550.

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	<i>Administrative expenses</i>
Appropriations, 1999	\$515,000
Budget estimate, 2000	520,000
Committee recommendation	520,000

PROGRAM DESCRIPTION

This program will test the feasibility of enabling VA to make direct home loans to native American veterans who live on U.S. trust lands. It is a pilot program that began in 1993 and expires on De-

cember 31, 2001. Subsidy amounts necessary to support this program were appropriated in fiscal year 1993.

COMMITTEE RECOMMENDATION

The bill includes the budget estimate of \$520,000 for administrative expenses associated with this program in fiscal year 2000. These funds may be transferred to the "General operating expenses" account.

GUARANTEED TRANSITIONAL HOUSING LOANS FOR HOMELESS VETERANS PROGRAM ACCOUNT

PROGRAM DESCRIPTION

This program was established by Public Law 105-368, the Veterans Programs Enhancement Act of 1998. The program is a pilot project designed to expand the supply of transitional housing for homeless veterans and to guarantee up to 15 loans with a maximum aggregate value of \$100,000,000. Not more than five loans may be guaranteed in the first 3 years of the program. The project must enforce sobriety standards and provide a wide range of supportive services such as counseling for substance abuse and job readiness skills. Residents will be required to pay a reasonable fee.

COMMITTEE RECOMMENDATION

The bill includes the budget estimate of \$48,250,000 for program costs, and a loan limitation of \$100,000,000. Administrative expenses of the program, estimated at \$750,000 for fiscal year 2000, will be borne by the "Medical care" and "General operating expenses" appropriations.

VETERANS HEALTH ADMINISTRATION

MEDICAL CARE

Appropriations, 1999	\$17,306,000,000
Budget estimate, 2000	17,306,000,000
Committee recommendation	18,406,000,000

PROGRAM DESCRIPTION

The Department of Veterans Affairs [VA] operates the largest Federal medical care delivery system in the country, with 172 medical centers, 40 domiciliaries, 132 nursing homes, and 811 outpatient clinics which includes independent, satellite, community-based, and rural outreach clinics.

This appropriation provides for medical care and treatment of eligible beneficiaries in VA hospitals, nursing homes, domiciliaries, and outpatient clinic facilities; contract hospitals; State home facilities on a grant basis; contract community nursing homes; and through the hometown outpatient program, on a fee basis. Hospital and outpatient care also are provided for certain dependents and survivors of veterans under the Civilian Health and Medical Program of the VA [CHAMPVA]. The medical care appropriation also provides for training of medical residents and interns and other professional paramedical and administrative personnel in health

science fields to support the Department's and the Nation's health manpower demands.

COMMITTEE RECOMMENDATION

The Committee recommends \$18,406,000,000 for VA medical care, an increase of \$1,100,000,000 over the budget request and the fiscal year 1999 enacted level. In addition, VA has authority to retain third-party collections, estimated by the Department to total \$749,000,000 in fiscal year 2000. Therefore, the Committee's recommendation represents total discretionary resources for medical care of \$19,155,000,000.

The Committee recognizes that VA has been making significant progress toward its goals of reducing per-patient costs by 30 percent and increasing the number of new patients by 20 percent by the fiscal year 2002, from 1997 levels. VA has made great strides in streamlining its health care system, shifting care to outpatient settings where appropriate, closing unutilized inpatient beds, and eliminating wasteful practices. While the Veterans Health Administration has been transforming itself into a more modern and efficient, patient-focused health care system, significant challenges remain. These include the need to improve capital asset management so as to optimize the use of VA health care dollars (this issue is addressed in the "Construction, major projects" and "Capital Asset Fund" accounts), maintain sufficient capacity to serve patients with special disabilities, improve revenue collections, continue to implement the recommendations of the Residency Realignment Review Committee and adapt to changes in its relationships with medical affiliates, and manage effectively the patient enrollment system. These challenges will be magnified as VA seeks to implement additional management efficiencies including reductions in staff.

According to the budget justification, additional streamlining and cost-cutting measures are planned for fiscal year 2000; such "management efficiencies" would total \$1,145,326,000 in savings and a reduction of 6,949 FTE, according to the President's budget. The Committee has not been provided full details of these management efficiencies, and is concerned that VA's budget request is insufficient to maintain high quality medical care to our nation's veterans in view of the magnitude of the proposed reductions.

The Committee notes that VA's budget was not predicated on a detailed assessment of requirements, and no analysis of the specific reductions which would occur under the budget proposal were conducted prior to submission of the President's budget. The Committee, during hearings on VA's fiscal year 2000 budget, requested that such analysis be conducted. VA's recent field survey indicated that the President's budget would actually require a reduction of 13,000 FTEs, almost double that suggested in the budget justification. Moreover, many of the specific reductions being considered by the networks are unacceptable.

The Committee notes that VA has some new demands on its budget which were not envisioned at the time the "30-20-10" initiative was developed. In particular, VA faces a significant new requirement associated with treating veterans suffering from hepatitis C with a new and costly therapy. VA plans to address aggressively this serious public health problem—an approach strongly

supported by the Committee—at an estimated cost of approximately \$350,000,000 in fiscal year 2000. In addition, costs for pharmacy and prosthetics are anticipated to be significantly higher than originally estimated. Yet the administration has ignored these critical requirements.

For these reasons, the Committee has added \$1,100,000,000 to the budget. The amount provided by the Committee ensures VA will not be required to take untenable and inappropriate personnel actions, restrict access to care, reduce services, or implement closures or delays that would occur under the President's budget. The Committee continues to support strongly, however, continued improvements such as standardization efforts which will reduce costs while improving quality of care and access to medical services.

The Committee is extremely troubled by the fact the administration refused to conduct a detailed assessment of the requirements of the Veterans Health Administration, and is saddened by the fact that the administration has not made a higher priority of veterans' needs in its budget process. There are approximately 3.4 million American veterans who depend on VA for medical care services, and deserve the best possible treatment. The Committee expects the administration's fiscal year 2001 budget request will include a more appropriate and realistic estimate of requirements for VA medical care, accompanied by detailed analysis.

Cost collections.—The Committee continues to be troubled by VA's poor performance in its medical collections program. Funds made available through the cost recovery program are a critical component of VA's budget. Unfortunately, collections have consistently fallen behind targets. Last year, collections were estimated at \$598,000,000, with actual collections totaling \$560,096,498, a reduction of 6 percent. For fiscal year 1999, a \$50,500,000 shortfall below the original estimate is anticipated. The Committee is concerned that VA will fail again in fiscal year 2000 to meet its targets despite the department's efforts to implement recommendations made by Coopers & Lybrand to improve the cost recovery program. The Committee believes VA should consider centralizing and/or contracting out this function so as to maximize collections potential. Therefore, the Committee directs VA to conduct a study that examines the issues involved in outsourcing the revenue process, including contracting out some or all of its third and first-party revenue processes. The study should identify key decision points and provide alternatives that will result in the most revenues to the VA. VA shall report to the Committee on the results of this study by October 30, 1999, including a timeline for implementation during fiscal year 2000.

Long-term care issues.—In view of the growing demand for long-term care services for veterans, the Committee supports the Department's efforts to develop a long-term care strategy. This strategy should include expanding options and services for home and community-based care, making these services the preferred placement site where clinically appropriate; establishing systemwide care coordination processes; and establishing a uniform VA-wide policy on the provision of nursing home services. The Committee recognizes the importance of the recommendations made by the Federal Advisory Committee on the Future of VA Long-Term Care.

In keeping with this, the Committee stresses that long-term care funds are not to be restricted to nursing homes, but shall include other long-term care services as appropriate.

In addition, the Committee urges VA to undertake six long-term care demonstration programs, separate from the community nursing home contract, to test the impact of a mix of approaches to care coordination and management on leveraging limited VA resources to meet more veterans needs for long-term care services. VA should plan and manage this program with the assistance of an experienced contract coordinator and manager of long-term care services. The program should be evaluated by an independent entity, such as GAO, including an analysis of clinical and cost outcomes, veteran and family satisfaction, and effective management of a full continuum of services.

The Committee notes that the State Home Program could provide an avenue of opportunity for VA to provide home-based personal care services to those veterans in need of long-term care who wish to remain in their own homes. VA should give close consideration to utilizing the state home programs to provide in-home health care services.

Mental illness.—The Committee urges VA to place veterans who are diagnosed as chronically mentally ill in case management programs to provide services with a scope and intensity equivalent to case management services delivered to patients with similar diagnoses in state public mental health systems. Funds for this activity could come from funds which have been saved from eliminating beds in inpatient psychiatric facilities.

The Committee directs VHA to require each Veterans Integrated Service Network to submit comprehensive written reports regarding the consolidation or closure of psychiatric programs for veterans with mental illness. These reports should address how the VISN's will provide alternative community-based mental health services and how dollars saved from cuts in inpatient psychiatric facilities will be redirected toward these services. Reports concerning previous and future consolidations must be submitted by the VISN's to VHA by December 31, 1999. A report is to be submitted to the Committee by February 28, 2000.

Fee-basis cost containment.—The Committee notes that VA currently spends nearly \$500,000,000 annually on fee-basis and other contract care, not including community nursing home and CHAMPVA programs. VA may not be receiving the most favorable competitive rates from community providers because it has not negotiated volume discounts or used managed care programs to bring costs down and manage utilization appropriately. Additionally, VA does not coordinate care, use quality or access measures, or have the ability to determine continuity or appropriateness of care. Therefore, the Committee believes VA should conduct a pilot program of managed care services in up to four VISNs, using an experienced managed care coordinator with an in-place, credentialed network of providers, for patients receiving fee-basis and other contract care. The pilot is to determine the extent to which VA could save resources; achieve better coordination of contracted care; improve quality, access and continuity of care; and create reliable and available data.

Recovery audit program.—The Committee has included bill language authorizing VA to conduct a recovery audit program for the fee-basis and other contract medical programs. VA is to select a contractor with experience in conducting similar audits and recovery efforts to determine overpayments and payments which were not authorized, and to take steps to recover overpayments. VA could recover tens of millions of dollars which would be returned to the medical care account for services to veterans.

Alaska Health Care Partnership.—The Committee supports the Alaska Federal Health Care Partnership's efforts to develop an Alaska-wide telemedicine network to provide access to health services and health education information in remote areas of Alaska to the more than 200,000 Federal beneficiaries now living in Alaska, including more than 65,000 veterans. The partnership, a joint effort of the Department of Veterans Affairs, Department of Defense, Coast Guard, and the Indian Health Service, is creating 235 telemedicine health care access sites over a 4-year period at VA, IHS, DOD, and Coast Guard clinical facilities throughout Alaska, linking remote installations and villages with tertiary health facilities located in Anchorage and Fairbanks. It should serve as a model for the use of telemedicine technology for the delivery of health care services and health care education in remote and inaccessible settings. The Committee anticipates that the Alaska telemedicine network will generate substantial savings by avoiding the high cost of transporting veterans from remote villages to Anchorage or other hub medical facilities for routine health problems and will result in a significantly higher level of available health care for Alaska veterans living in remote and inaccessible locations. The Committee recommends funding of \$750,000 for the Department of Veterans Affairs to continue its participation in the partnership's Alaska telemedicine project.

Ft. Howard VAMC transition plan.—The Committee is aware of the VA's plan to transition the Ft. Howard VAMC to a mixed use facility. The Committee expects VISN 5 to submit its business plan to VA headquarters by January 15, 2000. The Committee believes that public participation and input are critical to any transitional plan. The Committee directs the VA to solicit the input of the community, veterans and veterans service organizations in Maryland prior to the submission of the business plan. The business plan must include a rigorous analysis of the proposed continuum of care and assisted living model to ensure that the facility will be affordable and valuable for veterans and the taxpayers. The plan also must include a detailed analysis of the proposed management structure and breakdown of responsibilities among the participants. Furthermore, during any transitional phase at Ft. Howard, the VA must maintain patient care and access to patient care for veterans and their families. There cannot be any interruption of medical care or changes in medical care that pose an undue burden to the Ft. Howard staff, the veterans and their families.

Hepatitis C.—The Committee reiterates its concern regarding the disproportionately high prevalence of hepatitis C among veterans. Caring for veterans with hepatitis C will lead to significantly greater health care costs unless VA pursues a vigorous program of testing and treatment. The Committee urges VA to make testing for

hepatitis C broadly available to veterans, and to use all available therapies in the most clinically appropriate and cost-effective manner.

Medication Prescription Authority.—On May 4, 1999, VA issued a proposed rule that would permit “other health care professionals” (non-physicians) to prescribe medications and to conduct medication reviews. Subsequently, the VA withdrew the proposed rule. Prior to any further consideration of such a proposal, VA should conduct an internal review, including a public hearing, to discuss the implications for patient safety and to explore the specific role and legal responsibility of physicians and non-physician health care professionals with regard to prescription authority for patients in the VA health care system. VA should consult with the American Medical Association and other interested parties in conducting this internal review and public hearing.

National Formulary.—The Committee notes that pharmaceutical costs represent almost \$2,000,000,000 of VA’s medical care budget. The Department’s aggressive management of pharmaceutical costs has saved hundreds of millions of dollars over the past five years, allowing more dollars to be directed to health care for veterans. Therefore, the Committee supports implementation of the national formulary along with VA’s waiver policy to ensure the most cost-effective use of pharmaceutical dollars while ensuring access to drugs not on the formulary when appropriate.

Persian Gulf War Veterans.—The Committee notes that July 1999 submission of the National Academy of Sciences Institute of Medicine’s plan to review the scientific and medical literature regarding adverse health effects associated with exposures experienced during the Persian Gulf War Veterans Act of 1998 (Section XVI of Public Law 105–277). This legislation was intended to speed the long overdue relief owed to veterans of the Persian Gulf War. Therefore, the Committee strongly urges the Secretary in collaboration with the National Academy of Sciences, to continue expeditiously the determination of service-connection for ill veterans under the Persian Gulf War Veterans Act of 1998.

Other issues.—The Committee is aware of the need for community-based outpatient clinics in Beaufort, Sumter, and Orangeburg, SC, which would improve services to over 150,000 veterans in 16 counties. The Committee urges VHA to accelerate efforts by the Charleston and Columbia VAMC to promote these valuable initiatives and keep the Committee apprised of its progress.

The Committee directs the Department to continue the demonstration project involving the Clarksburg VAMC and the Ruby Memorial Hospital at West Virginia University.

The Committee also supports the continuation of the inpatient services contracting demonstration program at the Brevard VAMC.

The Committee supports VA’s efforts to explore with the Centers for Disease Control and Prevention opportunities to maximize the resources of both agencies to reduce complications of diabetes through the CDC’s prevention centers located at schools of public health, and to expand this initiative to include hypertension and other cardiovascular diseases.

The Committee supports VA’s efforts to undertake a three-year rural health care pilot program at the White River Junction, VT,

VAMC. The rural health care services delivery model will explore new methods of optimizing surgical, ambulatory and mental health care services in rural settings. VA estimates this will cost approximately \$7,000,000 in fiscal year 2000.

The Committee is aware of commercially available clinical guidance software tools that are being used by the Department of Defense to assess the health of Persian Gulf servicemembers. The Committee believes that such tools could deliver value to the VA by identifying veteran medical problems and solutions continuously, and creating standardized patient data to analyze better how resources are being used. Accordingly, the Committee directs that the VA report to the Committee by April 1, 2000, on the efficacy of such tools, their applicability in the VA system, and their compatibility with the Government Computerized Medical Record.

The Committee urges VA to conduct a feasibility analysis of a VA telemedicine project at the Honolulu VAMROC to assess the value of telemedicine and telecommunications technologies to deliver health care services to veterans residing throughout the islands of the Pacific region.

The Committee continues to support the VA's efforts to strengthen its psychology post-doctoral training program, and requests a report on the program's progress, including the number of training slots and their location, by March 1, 2000. The Committee is also interested in the progress being made in interdisciplinary training programs.

The Committee remains supportive of the VA/DOD distance learning project designed to transition clinical nurse specialists into roles as adult nurse practitioners. The Committee requests a progress report by March 1, 2000.

The Committee urges VA to provide support to establish a Veterans Intervention, Education, and Training Network at the HAMMER Training and Education Center to work with the National Veterans Foundation to provide crisis intervention and other counseling to veterans.

The Committee urges VA to continue to work to establish a partnership with the Garden State Cancer Center to make radioimmunodetection and radioimmunotherapy technology available to cancer afflicted veterans.

Colorectal cancer remains the second leading cause of cancer-related deaths in the U.S. With early detection through appropriate screenings, colorectal cancer also remains one of the most curable forms of cancer. The Committee urges VA to take all necessary steps to ensure that federal policy and guidelines calling for regular screenings of all average risk adults 50 years of age and older are being consistently applied to VA's patient population. These guidelines call for yearly fecal occult blood tests and flexible sigmoidoscopy conducted every five years for average risk patients and surveillance of the entire colon with colonoscopy for those patients considered to be at high risk.

The Committee supports further deployment of the Joslin Vision Network, which uses non-invasive diabetes screening to detect diabetes earlier than other available tests, as well as emphasizing preventive care and behavioral modifications.

The Committee has included bill language transferring not to exceed \$27,907,000 to the general operating expenses account for expenses of the Office of Resolution Management (\$26,111,000) and Office of Employment Discrimination Complaint Adjudication (\$1,796,000). The Committee directs that funds for this activity be included in the general operating expenses budget request for fiscal year 2001.

The Committee has included bill language delaying the availability until August 1, 2000, of \$635,000,000 in the equipment, lands, and structures object classifications.

The Committee has included bill language, similar to that proposed by the administration, to make available through September 30, 2001, up to \$900,000,000, approximately 5 percent of the medical care appropriation. This provides flexibility to the Department as it continues to implement significant program changes.

MEDICAL AND PROSTHETIC RESEARCH

Appropriations, 1999	\$316,000,000
Budget estimate, 2000	316,000,000
Committee recommendation	316,000,000

PROGRAM DESCRIPTION

The "Medical and prosthetic research" account provides funds for medical, rehabilitative, and health services research. Medical research supports basic and clinical studies that advance knowledge leading to improvements in the prevention, diagnosis, and treatment of diseases and disabilities. Rehabilitation research focuses on rehabilitation engineering problems in the fields of prosthetics, orthotics, adaptive equipment for vehicles, sensory aids and related areas. Health services research focuses on improving the effectiveness and economy of delivery of health services.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$316,000,000 for medical and prosthetic research. This is the same as the fiscal year 1999 enacted level. The Committee remains highly supportive of this program, and recognizes its importance both in improving health care services to veterans and recruiting and retaining high-quality medical professionals in the Veterans Health Administration.

The Committee supports VA's efforts to address the difficulty VA physician-investigators have finding time to conduct research.

The Committee strongly supports the merit review process for the allocation of VA research funds.

The Committee urges VA to establish a Triservice Nursing Research Program to enhance nursing research initiatives and to focus on specific health care needs of aging veterans.

Given the mounting evidence that Hepatitis C virus (HCV) is a primary cause leading to the rising incidence of hepatocellular carcinoma, the Committee urges VA to conduct longitudinal studies to determine the clinical course of Hepatitis C and factors resulting in the progression of HCV to cirrhosis and liver cancer.

The Committee is concerned with the dramatic rise in the incidence rates of lower esophageal and upper stomach cancers. The Committee understands that experts believe there is a strong and probable causal relationship between gastroesophageal reflux and esophageal adenocarcinoma. The Committee therefore urges VA to intensify research efforts on the relationship between acid reflux and lower esophageal/upper stomach cancer.

The Committee urges VA to consider working with its affiliated schools of public health to conduct research to develop population-based interventions and studies on health problems that predominantly affect veterans. Population-based health promotion research will aid VA as it continues its transformation to a more comprehensive, cost-efficient health care delivery system.

Recent research has documented the link between neurofibromatosis and cancer, brain tumors and heart disease. The Committee encourages the VA to increase its NF research portfolio, in addition to continuing to collaborate with other Federal agencies. In addition, the Committee requests that the VA report on these efforts by March 1, 2000.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

Appropriations, 1999	\$63,000,000
Budget estimate, 2000	61,200,000
Committee recommendation	60,703,000

PROGRAM DESCRIPTION

This appropriation provides funds for central office executive direction (Under Secretary for Health and staff), administration and supervision of all VA medical and construction programs, including development and implementation of policies, plans, and program objectives.

COMMITTEE RECOMMENDATION

The Committee recommends \$60,703,000 for medical administration and miscellaneous operating expenses, a decrease of \$2,297,000 below the fiscal year 1999 enacted level. The reduction of \$497,000 below the administration's request reflects two technical adjustments requested by the Department, one involving the funding mechanism for the Office of Facilities Management and another involving the consolidation of headquarters' public affairs activities. The amount provided is sufficient to add 33 FTE to enhance the oversight of care provided to our nation's veterans, including additional staff in the Offices of the Medical Inspector, Performance and Quality, and Patient Care Services.

The decrease in the MAMOE account from the fiscal year 1999 enacted level reflects the Committee's approval of VA's plans to establish a reimbursement process between VHA, NCA, and VBA for project technical and consulting services to be provided by the Facilities Management Service Delivery Office. Bill language has been included providing this transfer authority. The estimated level of reimbursement to the MAMOE account in fiscal year 2000 for facilities management support is \$7,100,000.

GENERAL POST FUND, NATIONAL HOMES
(INCLUDING TRANSFER OF FUNDS)

	Program account	Limitation on direct loans	Administrative expenses
Appropriations, 1999	\$7,000	\$70,000	\$54,000
Budget estimate, 2000	7,000	70,000	54,000
Committee recommendation	7,000	70,000	54,000

PROGRAM DESCRIPTION

This program provides loans to nonprofit organizations to assist them in leasing housing units exclusively for use as a transitional group residence for veterans who are in (or have recently been in) a program for the treatment of substance abuse. The amount of the loan cannot exceed \$4,500 for any single residential unit and each loan must be repaid within 2 years through monthly installments.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$7,000 for the estimated cost of providing loans, \$54,000 for administrative expenses, and a \$70,000 limitation on direct loans. The administrative expenses may be transferred to and merged with the general post fund.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

Appropriations, 1999	\$855,661,000
Budget estimate, 2000	912,353,000
Committee recommendation	912,594,000

PROGRAM DESCRIPTION

This appropriation provides for the administration of nonmedical veterans benefits through the Veterans Benefits Administration [VBA], the executive direction of the Department, several top level supporting offices, of the Board of Contract Appeals, and the Board of Veterans Appeals.

COMMITTEE RECOMMENDATION

The Committee recommends \$912,594,000 for general operating expenses, an increase of \$56,933,000 above the fiscal year 1999 enacted level. The amount provided includes \$706,365,000 for the Veterans Benefits Administration and \$206,229,000 for general administration. In addition to this appropriation, resources are made available for general operating expenses through reimbursements totaling \$343,128,000 for fiscal year 2000, with total estimated obligations of approximately \$1,255,722,000.

The Committee recommendation is \$241,000 above the administration's request, reflecting two technical adjustments requested by the Department. VA has requested a change to the funding mechanism for the Office of Facilities Management, which requires an additional \$104,000 in GOE and a commensurate reduction in the

MAMOE account. Also, VA plans to consolidate headquarters' public affairs activities, requiring an additional \$137,000 in GOE, and a commensurate reduction in the MAMOE and NCA accounts.

VBA funding levels, including reimbursements for credit reform administrative costs, would total \$859,832,000, an increase of \$49,524,000 over the fiscal year 1999 enacted level. Most of the increase is dedicated to the compensation and pension (C&P) program. While the Committee supports ongoing efforts to "reengineer" this program, and acknowledges the difficulty and increasing complexity of VBA's workload, the Committee believes inadequate progress has been made within the last year to improve the timeliness and quality of claims processing. The Committee has approved VA's proposal for a total of 440 additional FTE for the C&P program, and has approved \$44,800,000 for initiatives to achieve VBA's goals, including information technology enhancements and training. Given these additional resources, the Committee intends to hold VBA fully accountable in meeting the C&P goals it has set forth for fiscal year 2000—including completing rating-related actions in 95 days and achieving a national accuracy rate of 81 percent for core rating work—and directs VBA to submit a quarterly progress report.

The Committee supports VA's "one-VA philosophy" and believes the colocation of functions performed at the Hines Benefits Delivery Center and the Austin Automation Center are an important step in the integration of data systems, as well as making more effective use of limited resources.

The Committee notes that the National Guard currently administers some 3,000 armories located in all 50 states, territories and the District of Columbia. Those facilities could provide office space and infrastructure to support veterans assistance counseling and claims processing. VA should consider entering into a partnership with the National Guard Bureau to conduct a pilot program to determine whether services to veterans could be improved through sharing arrangements with National Guard armories.

The Committee recommends the current level of \$25,000 for official reception and representation expenses.

Bill language has been included restricting travel expenses in the immediate Office of the Secretary to \$100,000.

NATIONAL CEMETERY ADMINISTRATION

Appropriations, 1999	\$92,006,000
Budget estimate, 2000	97,000,000
Committee recommendation	97,256,000

PROGRAM DESCRIPTION

The National Cemetery Administration was established in accordance with the National Cemeteries Act of 1973. It has a four-fold mission: to provide for the interment in any national cemetery the remains of eligible deceased servicepersons and discharged veterans, together with their spouses and certain dependents, and permanently to maintain their graves; to mark graves of eligible persons in national and private cemeteries; to administer the grant program for aid to States in establishing, expanding, or improving

State veterans' cemeteries; and to administer the Presidential Memorial Certificate Program.

There are a total of 153 cemeterial installations in 39 States, the District of Columbia, and Puerto Rico. The Committee's recommendation for the National Cemetery Administration provides funds for all of these cemeterial installations, including the Tahoma National Cemetery.

COMMITTEE RECOMMENDATION

The Committee recommends \$97,256,000 for the National Cemetery Administration. This is an increase of \$5,250,000 over the fiscal year 1999 enacted level. The increase of \$256,000 above the administration's request reflects two technical adjustments requested by the Department involving the funding mechanism for the Office of Facilities Management and the consolidation of headquarters' public affairs activities.

The increase above the fiscal year 1999 enacted level would fund 37 additional FTE, for a total of 1,406. This will allow for growth in cemeterial interment workloads at existing cemeteries, and for the activation of new national cemeteries in the Cleveland, OH; Chicago, IL; Dallas/Ft. Worth; and Albany, NY areas. In addition, funds are included to reduce the equipment backlog.

The Committee has included bill language transferring not to exceed \$117,000 to the "General operating expenses" account for expenses of the Office of Resolution Management and Office of Employment Discrimination Complaint Adjudication. The Committee directs that funds for this activity be included in the general operating expenses budget request for fiscal year 2001.

OFFICE OF THE INSPECTOR GENERAL

Appropriations, 1999	\$36,000,000
Budget estimate, 2000	43,200,000
Committee recommendation	43,200,000

PROGRAM DESCRIPTION

The Office of Inspector General was established by the Inspector General Act of 1978 and is responsible for the audit and investigation and inspections of all Department of Veterans Affairs programs and operations.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$43,200,000 for the inspector general. This is an increase of \$7,200,000 above the fiscal year 1999 enacted level. The amount provided will enable OIG to increase total staffing by 12 FTE, for a total of 374. The Committee notes that the authorized level of staffing is 417 FTE. The additional resources above the current level will enable OIG to implement fully its Combined Assessment Program, perform GPRA data reliability reviews to ensure accuracy of data used to measure and report accomplishments toward achieving goals, and undertake other new initiatives.

The Committee has included bill language transferring not to exceed \$30,000 to the "General operating expenses" account for ex-

penses of the Office of Resolution Management and Office of Employment Discrimination Complaint Adjudication. The Committee directs that funds for this activity be included in the general operating expenses budget request for fiscal year 2001.

CONSTRUCTION, MAJOR PROJECTS

Appropriations, 1999	\$142,300,000
Budget estimate, 2000	60,140,000
Committee recommendation	70,140,000

PROGRAM DESCRIPTION

The construction, major projects appropriation provides for constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of VA, including planning, architectural and engineering services, and site acquisition where the estimated cost of a project is \$4,000,000 or more.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$70,140,000 for construction, major projects, an increase of \$10,000,000 above the budget request.

The following table compares the Committee recommendation with the budget request.

CONSTRUCTION, MAJOR PROJECTS

[In thousands of dollars]

Location and description	Available through 1999	2000 request	Committee recommenda- tion
Medical Program:			
Clinical improvements: Kansas City, MO, Surgical suite		13,000	13,000
Clinical improvements: Tampa, FL, Spinal cord injury and energy center	24,000	17,500	17,500
Patient environment: Murfreesboro, TN, Psychiatric patient privacy	1,300	12,700	12,700
Advance planning fund: Various stations		2,970	12,970
Asbestos abatement: Various stations		1,000	1,000
Design fund: Various stations		1,000	1,000
Less: Design fund		— 650	— 650
Subtotal	25,300	47,520	57,520
Veterans Benefits Administration: Advance planning fund		225	225
National Cemetery Program: Leavenworth, KS, Facility right- sizing/gravesite development		11,900	11,900
Advance planning fund: Various stations		500	500
Less: Design fund		— 595	— 595
Subtotal		11,805	11,805
Claims Analyses: Various stations		590	590
Total construction, major projects	25,300	60,140	70,140

The Committee has included language and \$10,000,000 in funding for capital asset realignment studies to allow VA to comply with the recommendations contained in the General Accounting Office's March 10, 1999, testimony entitled "VA Health Care—Capital Asset Planning and Budgeting Needs Improvement." GAO concluded that VA does not systematically evaluate veterans' or asset needs on a market or geographic basis and could enhance its health care services by reducing the level of resources spent on underused or inefficient buildings. Currently, the advance planning fund is available to develop and identify needs for traditional construction proposals. The language would expand the activities of the advance planning fund to include the awarding of contracts to examine multiple or single health care markets to assess VA's future health care requirements and whether other alternatives such as contracting for services, sharing agreements, facility leasing, partnering, asset replacements, or a combination thereof, are best suited for providing health care to veterans in various geographic areas. The Committee expects to be kept apprised of the process to be followed and the criteria to be used in conducting these capital asset realignment studies. This issue is also discussed in the "Capital Asset Fund" account.

The Committee continues to support strongly a new national cemetery in the Oklahoma City area. VA expects to award a design contract for architectural and engineering services for this project in October 1999, and the design should be completed within a year of award. Therefore, the Committee expects that the President's fiscal year 2001 budget submission will include construction funds for this project so that the project may be completed as expeditiously as possible.

CONSTRUCTION, MINOR PROJECTS

Appropriations, 1999	\$175,000,000
Budget estimate, 2000	175,000,000
Committee recommendation	175,000,000

PROGRAM DESCRIPTION

The construction, minor projects appropriation provides for constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of VA, including planning, architectural and engineering services, and site acquisition, where the estimated cost of a project is less than \$4,000,000.

COMMITTEE RECOMMENDATION

The Committee recommends \$175,000,000 for minor construction, the same as the current budget and the request.

Within the funds provided, the Committee recommends \$3,900,000 to convert unfinished space into research laboratories at the ambulatory care addition of the Harry S. Truman VAMC, consistent with VA's strategic plan.

The Committee concurs with GAO's assertion that VA needs to improve the way it makes capital asset investment decisions, including those for minor projects. Despite the significant amount of resources involved, the current process for approving minor projects is decentralized, inconsistent, and less rigorous than that applied

to major projects. The Committee expects VA to follow GAO's recommendations to improve capital investment decisionmaking.

The Committee notes that the Inspector General recently completed an audit of the minor construction and nonrecurring maintenance programs, and found that at least 6 of the 68 projects—9 percent—in their statistical sample of minor construction projects were not justified or needed to be reduced in scope. Based on the sample results, OIG projected that at least \$20,400,000 of construction items in the fiscal year 1998 operating plan were not needed. The Committee intends that VA implement the IG's recommendations to strengthen the process used to assess project needs to ensure that funds are allocated effectively and appropriately to the highest priority projects.

The Committee urges VA to allocate sufficient funds to address the research program's need for space.

PARKING REVOLVING FUND

PROGRAM DESCRIPTION

The revolving fund provides funds for the construction, alteration, and acquisition (by purchase or lease) of parking garages at VA medical facilities authorized by 38 U.S.C. 8109.

The Secretary is required under certain circumstances to establish and collect fees for the use of such garages and parking facilities. Receipts from the parking fees are to be deposited in the revolving fund and would be used to fund future parking garage initiatives.

COMMITTEE RECOMMENDATION

No new budget authority is requested by the administration or provided for fiscal year 2000.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

Appropriations, 1999	\$90,000,000
Budget estimate, 2000	40,000,000
Committee recommendation	90,000,000

PROGRAM DESCRIPTION

This account is used to provide grants to assist States in acquiring or constructing State home facilities for furnishing domiciliary or nursing home care to veterans, and to expand, remodel or alter existing buildings for furnishing domiciliary, nursing home, or hospital care to veterans in State homes. The grant may not exceed 65 percent of the total cost of the project, and grants to any one State may not exceed one-third of the amount appropriated in any fiscal year.

COMMITTEE RECOMMENDATION

The Committee recommends \$90,000,000 for grants for the construction of State extended care facilities, the same as the fiscal year 1999 enacted level. The amount provided represents an increase of \$50,000,000 above the budget request. The Committee notes there is a backlog of approximately \$100,000,000 in priority

one projects from fiscal year 1999. This program is a cost-effective means of meeting the long-term health care needs of veterans.

The Committee expects to be kept apprised of changes in the allocation methodology.

The Committee urges VA to provide funds to replace the boiler plant and construct a dietary facility at the Southeastern Veterans Center in Pennsylvania.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS' CEMETERIES

Appropriations, 1999	\$10,000,000
Budget estimate, 2000	11,000,000
Committee recommendation	25,000,000

PROGRAM DESCRIPTION

Public Law 105-368, amended title 38 U.S.C. 2408, which established authority to provide aid to States for establishment, expansion, and improvement of State veterans' cemeteries which are operated and permanently maintained by the States. This amendment increased the maximum Federal Share from 50 percent to 100 percent in order to fund construction costs and the initial equipment expenses when the cemetery is established. The States remain responsible for providing the land and for paying all costs related to the operation and maintenance of the State cemeteries, including the costs for subsequent equipment purchases.

COMMITTEE RECOMMENDATION

The Committee recommends \$25,000,000 for grants for construction of State veterans' cemeteries in fiscal year 2000, an increase of \$15,000,000 over the fiscal year 1999 enacted level and \$14,000,000 above the budget request. These funds will reduce the backlog of approximately \$34,000,000 in State cemetery grant applications.

The Committee notes the need for cemeteries in Bloomfield and Jacksonville, MO. Pre-application for State cemetery grants have already been approved by NCA for these important projects.

CAPITAL ASSET FUND

Appropriations, 1999	
Budget estimate, 2000	\$10,000,000
Committee recommendation	

PROGRAM DESCRIPTION

The Capital Asset Fund would allow the Department on a pilot basis to sell, transfer, or exchange excess and underutilized properties and retain ninety percent of the proceeds to invest in more appropriate capital to benefit veterans. Under the administration proposal, ten percent of the proceeds would be transferred to the Department of Housing and Urban Development to assist in the funding of homeless assistance groups in local areas. Of the amount retained by VA, five percent of the net proceeds would be transferred into the VA homeless program, and eighty-five percent would be used to fund future VA asset disposal-related activities and other non-recurring capital needs. Capital projects would in-

clude major and minor construction, parking, non-recurring maintenance, leasing, and equipment. The pilot would include up to 30 disposal projects.

COMMITTEE RECOMMENDATION

The Committee has not recommended funds owing to the lack of authorization. In addition, the Committee is concerned about the proposal to transfer a portion of the proceeds to HUD.

However, the Committee recognizes the need to dispose of unneeded facilities. According to the General Accounting Office, fewer than 1,200 of VHA's 4,700 buildings are used to deliver health care services to veterans; VA has over 5,000,000 square feet of vacant space, which can cost as much as \$35,000,000 a year to maintain. In Congressional testimony earlier this year, GAO stated "VHA has the opportunity to reduce significantly the amount of funds used to operate and maintain unneeded or inefficient health care delivery locations and reinvest such savings to enhance care provided to veterans." Over time VA could redirect hundreds of millions of dollars to direct patient care activities if it sold, transferred or exchanged unutilized or underutilized properties. Therefore, upon enactment of authorizing legislation, the Committee will review this proposal to provide additional capital asset management tools to the Department.

ADMINISTRATIVE PROVISIONS

The Committee has included seven administrative provisions carried in earlier bills. Included is a provision enabling VA to use surplus earnings from the national service life insurance, U.S. Government life insurance, and veterans special life insurance programs to administer these programs. This provision was included for the first time in fiscal year 1996 appropriations legislation. The Department estimates that \$36,754,000 will be reimbursed to the "General operating expenses" account as a result of this provision.

The Committee has not included bill language requested by the administration authorizing the reimbursement of the Office of Resolution Management and the Office of Employment Discrimination Complaint Adjudication for services provided, from funds in any appropriation for salaries and other administrative expenses. Instead, transfer authority totaling up to \$28,054,000 from the medical care, national cemetery administration, and OIG appropriations has been provided. In the future, resources for this activity are to be included in the GOE budget request.

TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Appropriations, 1999	\$24,659,378,000
Budget estimate, 2000	28,048,478,000
Committee recommendation	27,156,066,000

GENERAL DESCRIPTION

The Department of Housing and Urban Development [HUD] was established by the Housing and Urban Development Act (Public Law 89–174), effective November 9, 1965. This Department is the principal Federal agency responsible for programs concerned with the Nation’s housing needs, fair housing opportunities, and improving and developing the Nation’s communities.

In carrying out the mission of serving the needs and interests of the Nation’s communities and of the people who live and work in them, HUD administers mortgage and loan insurance programs that help families become homeowners and facilitate the construction of rental housing; rental and homeownership subsidy programs for low-income families who otherwise could not afford decent housing; programs to combat discrimination in housing and affirmatively further fair housing opportunity; programs aimed at ensuring an adequate supply of mortgage credit; and programs that aid neighborhood rehabilitation, community development, and the preservation of our urban centers from blight and decay.

HUD administers programs to protect the homebuyer in the marketplace and fosters programs and research that stimulate and guide the housing industry to provide not only housing, but better communities and living environments.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$27,156,066,000 for the Department of Housing and Urban Development. This is an increase of \$2,486,688,000 above the fiscal year 1999 enacted level.

The Committee continues to be concerned over the Department’s apparent lack of interest in working with the Senate and House housing subcommittees in consolidating and reforming HUD’s primary programs. Instead, the Department’s continuing strategy is to seek authority for broad new initiatives and programs through general appropriation language and not seek concurrence with the authorizing committees. While certain matters may be appropriate for the Appropriations Committee’s to address, HUD’s apparent disregard for the authorizing committees and primary focus on the appropriations process is inappropriate. For example, proposals like HUD’s Regional Connections Initiative and America’s Private Investment Companies Initiative as well as new HUD proposals for privatizing and sale of the Government National Mortgage Association (GNMA) and for the restructuring of the Community Develop-

ment Block Grant (CDBG) program are proposals which raise many policy issues that require a complete public debate and also require the development of a program structure that is typical of authorizing legislation, not appropriations legislation. This is an annual problem and the Committee continues to be disappointed in HUD's lack of commitment to a dialogue on housing policy in the authorizing committees and with the Congress as a whole.

The Committee urges the Department to continue its efforts to reform its programs, especially the delivery system for these programs. This is especially important since GAO again at the beginning of 1999 designated HUD as a high risk area, as it was in both 1995 and 1997. HUD is the only agency ever designated as high risk on an agency-wide basis. Further, the most recent audit of HUD's financial statements by the HUD Inspector General revealed 6 material weaknesses and 11 reportable conditions. This is one more material weakness and reportable condition than was identified in the 1998 audit. This concern further is highlighted by recent audits that have disclosed HUD loses some \$900,000,000 annually through fraud and neglect in its assisted housing programs.

In addition, HUD's budget includes, according to GAO, some 19 new programs and initiatives with funding of some \$731,000,000. The Committee believes HUD must focus its efforts on its core programs rather than redirect HUD staffing and expertise to new boutique programs and activities, especially since many of these programs and activities can be achieved at the discretion of states and localities under the existing authority of programs such as CDBG and HOME. Because of recent downsizing and restructuring, HUD is vulnerable to poor management decisions, structural weaknesses and deficiencies in its primary housing and community development programs. An overload of new activities and programs can only further weaken the Department.

The Committee also urges HUD to continue to redesign the budget process to meet the requirements of the Government Performance and Results Act (GPRA). HUD must establish measures and benchmarks to connect funding decisions with goals in a manner consistent with GPRA. Again, unlike HUD's current approach, consultation with Congress is critical to the success of GPRA and the success of HUD.

HOUSING CERTIFICATE FUND (INCLUDING TRANSFER OF FUNDS)

Appropriations, 1999	\$10,326,542,000
Budget estimate, 2000	¹ 11,522,095,215
Committee recommendation	¹ 11,051,135,000

¹ Includes an advance appropriation of \$4,200,000 for fiscal year 2001.

PROGRAM DESCRIPTION

This account provides funding for the section 8 programs, including vouchers, certificates, and project-based assistance. Section 8 assistance is the principal appropriation for Federal housing assistance, with almost 3 million families assisted under section 8. Under these programs, eligible low-income families pay 30 percent of their adjusted income for rent, and the Federal Government is

responsible for the remainder of the rent, up to the fair market rent or some other payment standard.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$11,051,135,000, of which \$10,855,135,000 shall be used to fund expiring section 8 contracts including the costs of sticky or enhanced vouchers for families that choose to continue to live in multifamily housing in which a mortgage is refinanced and the housing was previously eligible for the Preservation Program, as well as in certain circumstances where owners of assisted multifamily housing opt-out of the section 8 program. In addition, this account includes the Administration's recommendation for an advance appropriation of \$4,200,000,000 for the remainder costs of contracts renewed in fiscal year 2000 for the months requiring section 8 assistance during fiscal year 2001. The Committee has included \$100,000,000 in this account to cover the costs of renewing contracts for below market section 8 projects up to market. An additional \$2,050,000,000 in recaptures, carryover from fiscal year 1999, and transfers from the "Annual Contributions for Assisted Housing" account also is expected to be available for section 8 contract renewals.

For projects facing displacement because of prepayment, HUD is authorized to provide sticky or enhanced vouchers which permit current residents of such a project to be subsidized based on the market rent for a dwelling unit in the project. Tenants shall remain eligible for sticky vouchers so long as they continue to live in the same projects for which owners have prepaid the mortgage, subject to a rent reasonableness standard. This bill includes legal authority to allow HUD to provide section 8 rental assistance up to the market rent of a unit for low-income families where owners of projects assisted with section 8 project-based assistance choose to not renew their expiring section 8 contracts. In these cases, the tenant is required to pay no greater than 30 percent of his or her adjusted income. The Committee believes that HUD must first make every effort to renew the expiring section 8 contracts which are attached to this assisted housing, especially those projects located in low vacancy areas, including those in high cost urban areas and rural areas, and especially those projects that serve the elderly and persons with disabilities.

Other activities eligible for funding under this account include the conversion of section 23 projects to assistance under section 8, the family unification program, and the relocation of witnesses in connection with efforts to fight crime in public and assisted housing pursuant to a law enforcement or prosecution agency.

In addition, the Committee believes that section 8 tenant-based assistance provides a needed opportunity for disabled families to have a more diverse housing choice with an opportunity to mainstream into a community of their choice. In cases where elderly public housing and assisted housing projects are designated as elderly-only, it is expected that up to \$40,000,000 be used to provide needed section 8 tenant-based housing assistance for disabled families that would otherwise be served by public and assisted housing.

Finally, the Committee reiterates its continuing and growing concern over HUD's inadequate accounting procedures for identifying

excess section 8 contract reserves as well as excess project-based section 8 assistance. While the Department has made strides towards completing an overhaul of its section 8 accounting systems, there remains significant concerns over the accuracy of its section 8 accounting. This is unacceptable and the Department's continued failure to provide accurate analysis of all accounts has resulted in a lack of credibility. The Committee reminds HUD that an accurate fiscal forecast of the funding in all HUD programs is critical to HUD's credibility and is a requirement for a sound relationship with this Committee.

The Committee also directs HUD to identify in its fiscal year 2001 budget justification the renewal costs associated with each project-based section 8 program, such as the section 8 moderate rehabilitation program and the section 515 program.

The Committee has not included any additional funds for incremental section 8 assistance as requested by the Administration. While the Committee understands there is demand for additional section 8 assistance, the Administration's budget projections and recommendations have created such uncertainty over the ability or desire of the Administration to meet its financial commitment to preserve and renew existing section 8 contracts in future budgets that it would be very ill-advised to add additional section 8 incremental assistance at this time.

The Committee believes that the funding of any incremental vouchers depends on a full and frank discussion of the actual cost of section 8 assistance, including vouchers. While the Committee supports section 8 rental assistance as the most practical way to provide Federal housing assistance to low-income families, the actual cost each year in outlays approaches \$20,000,000,000, with much of this cost hidden within existing long-term section 8 project-based contracts. The annual cost in budget authority will continue to increase to match the \$20,000,000,000 in outlays as these long-term section 8 contracts expire. This means that the cost of including new incremental vouchers will become an additional annual competing cost against other budget priorities, especially critical as the annual cost of renewing existing expiring section 8 contracts continues to explode.

Also, very troubling are HUD audit findings from data collected for calendar 1997 from families assisted under HUD assisted housing programs that conclude that the Department annually provides overpayments of some \$900,000,000 in its assisted housing programs. This is continuing problem that HUD must address. In real terms, the loss of \$900,000,000 represents an annual loss of section 8 housing assistance for over 135,000 low-income families.

Moreover, the Congress and the Administration need to address the concern that section 8 (tenant-based) vouchers do not always provide real rental choice for assisted families. Instead, because of market distortions in how section 8 rents are calculated, families with vouchers often have little choice in their rental decisions, leaving them often in low-income and very low-income neighborhoods and living in substandard housing. In a number of cases, families with vouchers are unable to use their vouchers to obtain affordable housing. This lack of choice also can result in de facto redlining which is not acceptable.

Obviously, any change to provide more rental choice in the section 8 voucher program could result in large additional costs, and the Congress and HUD need to understand this cost, as well as how to balance this cost with the need to ensure that the section 8 voucher program provides real choice in the selection of affordable housing.

The Committee has adopted the Administration's recommendation to defer the appropriation on fiscal year 2000 section 8 funding with the greatest reluctance. This hard choice had to be made since the Committee had to compensate for other shortfalls generated by the Administration's fiscal year 2000 budget, including incomplete budget estimates generated by OMB, especially with regard to our Nation's financial commitment to the medical needs of our Veterans.

In addition, the Administration's recommendation that the Congress defer payment of \$4,200,000,000 on expiring section 8 contracts will help create a funding gap in fiscal year 2000 of over \$8,000,000,000 for the renewal of existing section 8 contracts in fiscal year 2001. The Committee advises that this cost will be very difficult to meet under any budget constraint. Even more troubling is the Administration's out-year budget forecast that proposes flat funding for section 8 contracts of \$11,500,000,000 for the next 10 years. This would mean some 1.3 million families will lose their Federal housing assistance over the next 10 years.

The Committee has not included the Administration's request of \$209,000,000 for Contract Administrators. While the Committee supports contracting out of the administration of the section 8 project-based contracts, it does not believe that a specific set-aside is necessary. HUD also is encouraged to expand the use of State and local housing finance agencies in contracting out the administration of the section 8 project-based program.

The Committee believes that the section 8 tenant-based program could be run more cost-effectively and efficiently if other public and public-private entities were allowed to compete in administering the program. Currently, roughly 2,500 individual public housing authorities (PHA) operate section 8 tenant-based programs, of which 1,700 administer less than 250 contracts. The Committee believes that the Department should evaluate consolidating the smaller jurisdictions into larger regional or state jurisdictions for administering section 8. The Committee is concerned that many administrators of the section 8 tenant-based program are not adequately performing their responsibilities and duties. Under the tenant-based program, the administrators—who are typically local public housing authorities (PHA)—are required to perform duties such as determining “rent reasonableness,” ensuring that housing units meet housing quality standards, and providing tenant counseling and owner outreach functions. To improve the performance of the section 8 contract administrative functions, the Committee directs HUD to provide a proposal no later than January 5, 2000 on competing the section 8 tenant-based program upon contract expiration. The proposal should include details on how HUD would be able to manage this competition, what kinds of publicly accountable entities could compete (including private-public joint ventures), and to what extent the Federal government may be able to

reduce administrative fees while improving the administration of the program. Lastly, the Department should submit any necessary legislative language in order to carry out this activity.

HUD also is prohibited from using any funds under this account for Regional Opportunity Counseling. To the extent that families need counseling on making the best use of section 8 vouchers, it is expected that the availability of counseling will be part of HUD's assessment in awarding the administration of section 8 contracts.

PUBLIC HOUSING CAPITAL FUND

Appropriations, 1999	\$3,000,000,000
Budget estimate, 2000	2,555,000,000
Committee recommendation	2,555,000,000

PROGRAM DESCRIPTION

This account provides funding for modernization and capital needs of public housing authorities (except Indian housing authorities), including management improvements, resident relocation and homeownership activities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,555,000,000 for the public housing capital fund, the same as the budget request and \$445,000,000 less than the fiscal year 1999 enacted level.

The Committee directs HUD to report to the Committee no later than May 15, 2000 on the status of all unexpended funds appropriated under this account, including any actions taken by HUD to ensure that all capital improvement activities are being completed by public housing agencies in an expeditious manner.

HUD is prohibited from using any funds under this account as an emergency reserve under section 9(k) of the United States Housing Act of 1937.

PUBLIC HOUSING OPERATING FUND

Appropriations, 1999	\$2,818,000,000
Budget estimate, 2000	3,003,000,000
Committee recommendation	2,900,000,000

PROGRAM DESCRIPTION

This account provides funding for the payment of operating subsidies to public housing authorities (except Indian housing authorities) to augment rent payments by residents in order to provide sufficient revenues to meet reasonable operating costs as determined through the new formula funding system enacted as part of the Quality Housing and Work Responsibility Act of 1998.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,900,000,000 for the public housing operating fund, \$103,000,000 less than the budget request. The Committee believes this reduction is appropriate to reflect the increased flexibility provided in the fiscal year 1999 appropriations bill to public housing authorities in administering their housing.

The Committee expects the new regulations governing the payment of operating subsidies will reflect reduced costs through increased flexibility as well as provide incentives that will reduce the cost of public housing to the Federal government while increasing the habitability of this housing for the residents. The public housing system has been stagnant for far too long. In addition, the Committee directs HUD to collect from each public housing authority a summary of all salary information as well as a summary of all other annual operating expenses, and provide this information to the Committee by May 15, 2000.

The Committee also is very concerned over reports that the Department is freezing the availability of operating funds where there is an outstanding complaint under the Fair Housing Act against a public housing authority. This action by the Department presumes that a public housing authority has acted improperly whenever there is a complaint under the Fair Housing Act and interferes with the ability of a public housing authority to meet its legal responsibilities to its tenants and for operating its housing. This action by HUD also raises serious constitutional issues and damages the ability of the parties to resolve fairly the complaint in a manner consistent with the Fair Housing Act.

HUD is prohibited from using any funds under this account as an emergency reserve under section 9(k) of the United States Housing Act of 1937.

Because the activities in this account are now governed through new legal authority under the Quality Housing and Work Responsibility Act of 1998, enacted as part of the fiscal year 1999 VA/HUD appropriations bill, the Committee directs HUD to report on any shortfall in funds or lack of legal authority for prior activities handled under this account.

The Committee is troubled by the Department's development and implementation of the new "Public Housing Assessment System" (PHAS). While the Committee agrees completely with the Department's goal of measuring whether a public housing authority (PHA) is providing decent, safe, and sanitary housing for its residents, the Committee wants to ensure that the standards are fair, measurable, objective, and understandable. Unfortunately, HUD has instead created an overly complex, incomplete, and costly system based on the preliminary evaluations performed. Accordingly, the Committee directs HUD to consider the preliminary evaluations and ensure that the final rule is fair and less costly than its currently devised system. The Department should consult with all affected parties, such as PHAs, before issuing its final rule.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

Appropriations, 1999	\$310,000,000
Budget estimate, 2000	310,000,000
Committee recommendation	310,000,000

PROGRAM DESCRIPTION

Drug elimination grants are provided to public and Indian housing agencies to combat drug-related crime in and around public housing developments.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$310,000,000 for drug elimination grants for low-income housing, of which \$10,000,000 shall be awarded for technical assistance grants, \$10,000,000 shall be appropriated to fund Operation Safe House which is administered by the HUD inspector general, \$10,000,000 for administrative costs of the HUD inspector general associated with Operation Safe House, and \$20,000,000 for competitive grants under the New Approach Anti-Drug Program.

The Committee is very concerned about HUD using this program to create new special programs or set-asides out of this account which are not provided for in law. This program is intended to be driven by local needs and local decisionmaking. For example, while the Committee supports the use of these drug elimination grant funds for youth anti-drug activities, the Committee believes that the public housing authorities have the authority to use these funds for youth anti-drug activities and have a better understanding of their tenants needs and their community in prioritizing the use of these funds. HUD also is prohibited from making any substantive changes to this program unless the changes have been subject to normal notice and comment rulemaking.

The Committee also is concerned that HUD has not monitored adequately the use of funds under the Drug Elimination Grant program or established baseline criteria to understand the effectiveness of this program. HUD, therefore, is directed to identify in the fiscal year 2001 budget justification the goals for the program and the actual performance of the grantees in meeting the goals.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING
[HOPE VI]

Appropriations, 1999	\$625,000,000
Budget estimate, 2000	625,000,000
Committee recommendation	500,000,000

PROGRAM DESCRIPTION

The "Revitalization of severely distressed public housing" account is intended to make awards to public housing authorities on a competitive basis to demolish obsolete or failed developments or to revitalize, where appropriate, sites upon which these developments exist. This is a focused effort to eliminate public housing which was, in many cases, poorly located, ill-designed, and not well constructed. Such unsuitable housing has been very expensive to operate, and not possible to manage in a reasonable manner due to multiple deficiencies.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$500,000,000 for the "HOPE VI" account, \$125,000,000 less than the budget request and the fiscal year 1999 enacted level. The Committee urges the Department to continue funding innovative projects that work both as public and mixed-income housing as well as building blocks to revitalizing neighborhoods.

The Committee is concerned about the future of this program once the Department meets its goal of demolishing 100,000 public housing units by the end of 2003. The Department is directed to advise the Committee on what form this program should take after 2003.

The Committee also is aware of the success of the Neighborhood Networks Initiative in bridging the information technology gap in communities by creating residential computing centers in HUD-assisted housing. The Committee directs that all future HOPE VI grantees include a Neighborhood Networks center in each project implementation plan from within the HOPE VI supportive service funds, beginning in fiscal year 2000. The Neighborhood Networks Initiative has successfully opened over 500 residential computing centers by leveraging local businesses, community organizations, residents and other partners since 1995. These centers have helped hundreds of residents improve computer technology skills, which in turn has increased job and education opportunities. The Committee believes that the opportunity to bridge the digital divide should also be available to HOPE VI residents. The Committee directs the Department to make available technical assistance for HOPE VI projects through the Neighborhood Networks Initiative. The Committee further directs the Department to report to the Committee on the status of its efforts to implement the Neighborhood Networks Initiative in HOPE VI communities no later than June 30, 2000.

NATIVE AMERICAN HOUSING BLOCK GRANT

Appropriations, 1999	\$620,000,000
Budget estimate, 2000	620,000,000
Committee recommendation	620,000,000

PROGRAM DESCRIPTION

This account funds the native American housing block grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA). This program provides an allocation of funds on a formula basis to Indian tribes and their tribally designated housing entities to help them address the housing needs within their communities. Under this block grant, Indian tribes will use performance measures and benchmarks that are consistent with the national goals of the program, but can base these measures on the needs and priorities established in their own Indian housing plan.

COMMITTEE RECOMMENDATION

The Committee recommends \$620,000,000 for the native American housing block grant, of which \$6,000,000 is set aside for a credit subsidy for a demonstration of the section 601 Loan Guarantee Program. The Committee recommendation is the same as the budget request.

The Committee remains concerned about the implementation by the administration of the native American housing block grant and the potential risk of problems within such a new and complex program. The Committee reminds HUD that it is required to report on the implementation of this program to the Committee on a semi-

annual basis, including recommendations to ensure that the native American housing block grant program meets the needs of this population.

The Committee is concerned about HUD's capacity and commitment to provide adequate training and technical assistance in support of the implementation of NAHASDA. The Committee, therefore, is reducing the amount of technical assistance provided to the Department to assist in the implementation of NAHASDA from \$6,000,000 to \$2,000,000. Instead, the National American Indian Housing Council is provided the additional \$4,000,000 under this account to provide a comprehensive training and technical assistance program to ensure effective implementation of NAHASDA.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

Appropriations, 1999	\$6,000,000
Budget estimate, 2000	6,000,000
Committee recommendation	6,000,000

PROGRAM DESCRIPTION

This program provides access to private financing for Indian families, Indian tribes and their tribally designated housing entities who otherwise could not acquire housing financing because of the unique status of Indian trust land. As required by the Federal Credit Reform Act of 1990, this account includes the subsidy costs associated with the loan guarantees authorized under this program.

COMMITTEE RECOMMENDATION

The Committee recommends \$6,000,000 in program subsidies to support a loan guarantee level of \$71,956,000. This is the same as the fiscal year 1999 enacted level and the fiscal year 2000 budget request. The Committee requests HUD to provide a status report on the program by June 1, 2000, assessing the success of the program in providing homeownership opportunities for native Americans, a breakdown on the use of the program by State and tribal area, and recommendations for program improvement.

OFFICE OF RURAL HOUSING AND ECONOMIC DEVELOPMENT

Appropriations, 1999	\$25,000,000
Budget estimate, 2000	20,000,000
Committee recommendation	25,000,000

PROGRAM DESCRIPTION

The Office of Rural Housing and Economic Development was established to ensure that the Department has a comprehensive approach to rural housing and rural economic development issues. The account includes funding for technical assistance and capacity building in rural, underserved areas, and grants for Indian tribes, State housing finance agencies, State economic development agencies, rural nonprofits and rural community development corporations to pursue strategies designed to meet rural housing and economic development needs.

COMMITTEE RECOMMENDATION

The Committee recommends \$25,000,000 for the Office of Rural Housing and Economic Development for fiscal year 2000 to support housing and economic development in rural communities as defined by USDA and HUD.

Of the \$25,000,000 under this account, no less than \$23,000,000 is intended to be awarded to Indian tribes, State housing finance agencies, State community and/or economic development agencies, local rural nonprofits, and rural community development corporations to support innovative economic development and housing initiatives in rural communities. Up to \$2,000,000 is targeted to be used by HUD to maintain a clearinghouse of ideas for innovative strategies for developing rural housing, for rural economic development and revitalization, and to provide competitive grants directly to local rural nonprofits and community development corporations to support capacity building and technical assistance in rural underserved areas. The Committee expects HUD to use this office to coordinate all rural housing and economic development policy within the Department. Moreover, to ensure the best use of these funds, HUD is directed to cooperate and collaborate in the implementation of this program with the Department of Agriculture, whenever possible, including the award of grants.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT GRANTS

Appropriations, 1999	\$4,750,000,000
Budget estimate, 2000	4,775,000,000
Committee recommendation	4,800,000,000

PROGRAM DESCRIPTION

Under title I of the Housing and Community Development Act of 1974, as amended, the Department is authorized to award block grants to units of general local government and States for the funding of local community development programs. A wide range of physical, economic, and social development activities are eligible with spending priorities determined at the local level, but the law enumerates general objectives which the block grants are designed to fulfill, including adequate housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income. Grant recipients are required to use at least 70 percent of their block grant funds for activities that benefit low- and moderate-income persons.

Funds are distributed to eligible recipients for community development purposes utilizing the higher of two objective formulas, one of which gives somewhat greater weight to the age of housing stock. Seventy percent of appropriated funds are distributed to entitlement communities and 30 percent are distributed to nonentitlement communities after deducting designated amounts for special purpose grants and Indian tribes. Pursuant to the Cranston-Gonzalez National Affordable Housing Act, Indian tribes are eligible to receive 1 percent of the total CDBG appropriation, on a competitive basis.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,800,000,000 for the Community Development Block Grant [CDBG] Program in fiscal year 2000. This is an increase of \$25,000,000 above the budget request for fiscal year 2000.

Set-asides under CDBG include \$67,000,000 for native Americans; \$3,000,000 for the Housing Assistance Council; \$1,800,000 for the National American Indian Housing Council; \$2,000,000 to support Alaska Native Serving Institutions and Native Hawaiian Serving Institutions; \$42,500,000 for Youthbuild; \$25,000,000 for the National Community Development Initiative and \$41,500,000 for section 107 grants, including \$3,000,000 for community development work study, \$10,000,000 for historically black colleges and universities, \$7,000,000 for insular areas and \$6,500,000 for Hispanic-serving institutions.

In addition, this legislation includes a set-aside of \$110,000,000 within the CDBG program for the Economic Development Initiative (EDI) to finance efforts that promote economic and social revitalization.

At a minimum, the Secretary is directed to fund the following grants as part of the economic development initiative:

\$100,000 to the St. Louis County Port Authority for the remediation of the National Lead Site.

\$500,000 to St. Louis County for the Lemay Early Childhood and Family Center expansion.

\$400,000 for the City of Union for infrastructure improvements to the Union Corporate Center, MO.

\$1,000,000 for City of Knoxville, Tennessee for economic development training for low-income people.

\$700,000 for the Minnesota Housing Finance Agency for the preservation of federally assisted low-income housing at risk of being lost as affordable housing.

\$1,700,000 for the Sheldon Jackson College Auditorium in Sitka, Alaska for refurbishing.

\$500,000 for the Community Builders of Kansas City, MO for the development of low-income housing.

\$250,000 for Northern Initiatives in the Upper Peninsula of Michigan for the capitalization of a training endowment fund.

\$900,000 for Focus HOPE for the expansion of its Machinist Training Institute in Detroit, Michigan.

\$900,000 for the City of Hot Springs, Arkansas for the construction of a parking facility.

\$1,000,000 for the construction of a fire station project in Logan, Utah.

\$900,000 for Ogden, Utah for downtown redevelopment.

\$750,000 for Billings, Montana for the redevelopment of the Billings Depot.

\$900,000 for Libby, Montana for the construction of a community center.

\$1,000,000 for Mississippi State University for the renovation of buildings.

\$1,200,000 for the City of Madison, Mississippi to renovate a gateway to historic downtown Madison.

\$900,000 for Providence, Rhode Island for the renovation of the Providence Performing Arts Center.

\$1,000,000 for the Bidwell Industrial Development Corporation the Harbor Gardens development project.

\$250,000 for Philadelphia, Pennsylvania for the expansion of the Pennsylvania Convention Center.

\$1,000,000 for the City of Jackson, Mississippi to create a housing rehabilitation program.

\$650,000 for Monessen, Penn. For the development of a business development and support facility.

\$800,000 for the City of Wilkes-Barre for downtown revitalization.

\$500,000 for the Friends of the Capitol Theater for the renovation of the Capitol Theater in Dover, Delaware.

\$2,000,000 for the Idaho Bureau of Disaster Services for the restoration of Milo Creek.

\$300,000 for the Clearwater Economic Development Association for planning for the Lewis and Clark Bicentennial celebration.

\$900,000 for the Developmental Disabilities Resource Center to provide services to persons with disabilities in the Front Range area of Colorado.

\$300,000 for the City of Montrose, Colorado to develop affordable, low-income housing.

\$1,400,000 for the Columbia/Adair County Industrial Development Authority in Kentucky for infrastructure development for the Columbia/Adair County Industrial Park Development.

\$800,000 for the University of Findlay in Ohio to expand its National Center for Excellence in Environmental Management facility.

\$500,000 for MSU-Billings in Billings, Montana for the development of a business development and support facility.

\$500,000 for the City of Brookhaven, Mississippi to renovate historic Whitworth College buildings and related improvements.

\$1,500,000 for the Bethel Pre-Maternal Home in Bethel, Alaska for expansion.

\$3,500,000 for the University of Alaska Fairbanks Museum in Fairbanks, Alaska.

\$800,000 for Forum Health of Youngstown, Ohio for a hospital conversion project.

\$2,200,000 for the Pacific Science Center for the construction of the Mercer Slough Environmental Education Center.

\$800,000 for the Tacoma Art Museum in Tacoma, Washington for expansion.

\$300,000 for the Portsmouth, NH City Housing Authority for the development of a multiple use recreation and learning center.

\$300,000 for the City of Concord for community and neighborhood improvements.

\$100,000 for the City of Nashua, NH for a river front project.

\$75,000 for the Manchester Neighborhood Housing Services in Manchester, NH.

\$200,000 for Vergennes, Vermont for the renovation and expansion of the Vergennes Opera House.

\$1,000,000 for the renovation and expansion of the Flynn Theatre in Burlington, Vermont.

\$75,000 for the French Hill Neighborhood Housing Services in Nashua, NH.

\$75,000 for the Concord Area Trust for Community Housing in Concord, NH.

\$375,000 for the Town of Winchester, NH to tear down an old leather tannery.

\$2,500,000 for the Kansas City Liberty Memorial renovation and restoration.

\$1,500,000 for the American National Fish and Wildlife Museum in Springfield, Missouri for construction.

\$100,000 for the City of Claremont, NH to upgrade and repair their public parks service.

\$75,000 for the Laconia Area Community Land Trust in Laconia, NH.

\$200,000 for the Town of Barre, Vermont for the construction of a business incubator building in the Wilson Industrial Park.

\$300,000 for Housing Vermont to construct affordable housing in Bellows Falls, Vermont.

\$200,000 for the Vermont Center for Independent Living for its Home Access program.

\$100,000 for the Bennington Museum in Bennington, Vermont.

\$500,000 for the Vermont Rural Fire Protection Task Force for the purchase of equipment.

\$900,000 for the Home Repair Collaborative in Indianapolis, Indiana for the repair of low-income housing.

\$1,900,000 for the City of Montgomery, Alabama for the redevelopment of its riverfront area.

\$1,000,000 for the planning and construction of a regional learning center at Spring Hill College in Montgomery, Alabama.

\$1,500,000 for the Donald Danforth Plant Science Center for the development of a greenhouse complex.

\$500,000 for the Grand Rock Community Development Corporation Center in St. Louis, MO for the construction of a community center.

\$500,000 for Calhoun Community College, Advance Manufacturing Center in Decatur, Alabama for the development of an advanced manufacturing center.

\$300,000 for the Clay County Courthouse rehabilitation project in Clay County, Alabama.

\$1,800,000 for the renovation of Bates Mill in Lewiston, Maine.

\$800,000 for Coastal Enterprises, Inc for rural economic development and housing initiatives in Kennebec and Somerset Counties.

\$1,300,000 for the City of Fort Worth, Texas for building renovation associated with the development of the Fort Worth Medtech Center.

\$1,000,000 for the Southwest Collaborative for Community Development for low-income housing and economic development in the southwest border area of Texas.

\$750,000 for Houston, Texas to establish a Distance Learning Center as part of a "campus park" redevelopment in the Stella Link community.

\$1,650,000 for Farmington, New Mexico for the renovation of Ricketts Field.

\$1,000,000 for New Mexico Highlands University for its Science and Engineering Complex.

\$800,000 for the National Institute for Community Empowerment for its capacity building efforts in underserved communities.

\$200,000 for the University of Charleston in West Virginia for a basic skills and assessment lab.

\$600,000 for Shepherd College in Shepherdstown, West Virginia for the renovation of Scarborough Library.

\$1,500,000 for the Center for the Arts&Science of West Virginia for the construction of a theater/planetarium.

\$4,000,000 for Wheeling Jesuit University in Wheeling, West Virginia for the construction of a science/computer teaching center.

\$500,000 for the Town of Kimball, West Virginia for the restoration of the Kimball War Memorial.

\$150,000 for the County of Maui, Hawaii to assist the Island of Molokai for capacity development related to its status as an Enterprise Community.

\$1,000,000 for Honolulu, Hawaii to implement the Kahuku Drainage Plan.

\$250,000 for the Maui Family Support Services, Inc for the creation of an early childhood center in Maui County, Hawaii.

\$400,000 for Wailuku, Hawaii for revitalization efforts.

\$300,000 for Bethany College in Bethany, West Virginia for the creation of a health and wellness center.

\$200,000 for West Virginia State College to assist in creating a computer library.

\$2,000,000 for the Spartanburg School for the Deaf and the Blind in Spartanburg, South Carolina for a new dormitory.

\$500,000 for the University of South Carolina School of Public Health to consolidate its programs in a new central location.

\$500,000 for Chittenden County, Vermont for the development of affordable low-income housing.

\$650,000 for Burlington, Vermont for downtown redevelopment.

\$500,000 for the development of the Kellog-Hubbard Library in Montpelier, VT.

\$350,000 for Brattleboro, Vermont for downtown redevelopment.

\$250,000 for Willingboro, New Jersey for the revitalization of the Central Business Center.

\$500,000 for Plainfield, New Jersey for the redevelopment of the Teppers building.

\$200,000 for Trenton, New Jersey for the renovation of the YWCA's indoor swimming pool.

\$500,000 for the Affordable Housing Project in Waterloo, Iowa for the development of affordable, low-income housing.

\$500,000 for Des Moines, Iowa for south of downtown redevelopment.

\$500,000 for the Muscatine Center for Strategic Action for the operation of a nonprofit modular housing factory.

\$1,000,000 for New Jersey Community Development Corporation for the construction of the New Jersey Community Development Corporation's Transportation Opportunity Center.

\$500,000 for the Sioux City Stockyards in Sioux City, Iowa for redevelopment.

\$1,250,000 for the University of Maryland-Eastern Shore for the development of a Coastal Ecology Teaching and Research Center.

\$1,250,000 for Prince Georges County for the revitalization of the Route 1 corridor.

\$750,000 for the Patterson Park Community Development Corporation to establish a revolving fund to acquire and rehabilitate properties in East Baltimore, Maryland.

\$1,750,000 for the University of Nevada in Reno, Nevada for the Structures Laboratory.

\$250,000 for Henderson, Nevada for downtown redevelopment.

\$200,000 for the Boys and Girls Club of Las Vegas, Nevada for the renovation and expansion of existing facilities.

\$500,000 for the City of Green Bay, Wisconsin for Broadway Street revitalization.

\$500,000 for Milwaukee, Wisconsin for its Metcalfe Neighborhood Redevelopment Initiative.

\$500,000 for the Fremont Public Association in Seattle, Washington for construction costs related to its Community Resource Center.

\$250,000 for the Puget Sound Center for Teaching, Learning and Technology in Seattle, Washington.

\$500,000 for the First AME Church in Los Angeles for the development of a business incubator.

\$500,000 for the City of Riverside, California for the development of Citrus Park.

\$750,000 for the Mitchell Development Corporation for economic development activities in Mitchell, S.D.

\$750,000 for South Dakota State University in Brookings, South Dakota.

\$500,000 for the City of Inglewood, California for the construction of a senior center.

\$250,000 for the City of Beloit, Wisconsin for urban renewal activities.

\$500,000 for Milwaukee, Wisconsin for redevelopment activities in the Menominee River Valley.

\$500,000 for the City of Yankton, South Dakota for the restoration of the downtown area and the development of the Fox run industrial Park.

\$100,000 for Hot Springs, South Dakota for redevelopment.

\$100,000 for Sisseton, South Dakota to make infrastructure improvements at an industrial site in the community.

\$125,000 for Dillard University in New Orleans, LA for assisting persons in the transition from welfare to work.

\$125,000 for Audubon Institute Living Sciences Museum for the restoration of a New Orleans customhouse.

\$750,000 for the New York Public Library's Library for the Performing Arts for renovations.

\$250,000 for the Southside Institutions Neighborhood Alliance in Hartford, Conn. for downtown renovation.

\$250,000 for the University of Connecticut for the construction of a biotechnology facility.

\$250,000 for the City of Aberdeen, South Dakota for a community child day care center.

\$100,000 for North Sioux City Economic Development Corporation for the construction of an industrial park.

\$250,000 for the City of San Francisco, CA for the redevelopment of the Laguna Honda Assisted Living/Housing for Seniors.

\$250,000 for the National Center for the Revitalization of Central Cities for the development of redevelopment strategies.

\$300,000 for the Esperanza Domestic Violence Shelter in northern New Mexico for homeless services.

\$300,000 for the Court Youth Center in Dona Ana County, New Mexico for renovation of their youth center.

\$250,000 for Belen, New Mexico for the development of a recreation center.

\$500,000 for the Accomack-Northampton Planning District Commission for economic development on the Eastern Shore of Virginia.

\$250,000 for the City of Santa Ana, CA for the establishment of the IDEA Center.

\$250,000 for the Hampden/Hampshire Housing Partnership Loan Fund in western Massachusetts for the development of affordable housing.

\$250,000 for Lowell, Mass for downtown redevelopment.

\$250,000 for Lawrence, Mass for the City of Lawrence Loan and Investment Program.

\$250,000 for For An Achievable Dream in Newport News, Virginia to help at-risk youth.

\$500,000 for the Research Development Enterprise for the advancement of university research activities.

\$500,000 for Spelman College in Atlanta, Georgia for renovation of the Spelman College Science Center.

\$1,000,000 for Children's House Hackensack University Medical Center in Hackensack, NJ for expansion.

\$1,000,000 for Rural Economic Area Partnership Zones in ND.

\$250,000 for Turtle Mountain Economic Development and Education Complex in ND.

\$500,000 for the Panhandle Community Service in Scottsbluff, NE for the construction of an early childhood development center.

\$150,000 for Southwest Virginia Governor's School for Science, Mathematics and Technology for improvements.

For each of the aforementioned EDI grants, HUD shall conduct a close-out review of each grant within 5 years to ensure the funds are used for the purpose specified. Any grants not obligated within 5 years shall be rescinded and reallocated within the next round of CDBG funds.

In addition, HUD is required to report on all projects funded under any EDI grants awarded independently by HUD, identifying the purpose of the project, the funding structure of the project, the economic impact and social utility of the project, and the lessons learned from the project that can be applied as a model throughout the country.

The Committee includes \$42,500,000 for the Youthbuild program, of which \$2,500,000 is for capacity building in underserved areas. Because of concerns over HUD's failure to provide adequate oversight of its programs, the Department is required to audit the Youthbuild program to ensure that funds are being used in a manner consistent with program requirements. As part of this audit, HUD shall review all expenses associated with this program, including a review of all the salaries of employees, the costs associated with travel, and the use of any funds for purposes of lobbying the Congress. HUD is directed to report on this audit no later than May 15, 2000. The Committee also has required all grantees to contribute a 25 percent local match to be eligible for funds.

The Committee has included up to \$45,000,000 for supportive service contracts, a critical activity. However, the Committee is concerned that the Secretary has imposed conditions in connection with the award of congregate services and service coordinator funding that have unduly impeded the full and timely distribution of this funding to grantees for the purposes intended by the Congress. The Committee has therefore included language in this Act that prohibits the Secretary from conditioning the award of funds on prior year spend-out. Also, the Committee has included language clarifying the Congressional intent that where federal funding for these purposes to a grantee is delayed and the grantee continues a congregate services or service coordinator program with its own funds, or other funds, grant funding provided by the Secretary may later be used to reimburse the grantee for the costs so incurred.

In addition, \$29,000,000 is provided for the cost of guaranteed loans, as authorized under section 108 of the Housing and Community Development Act of 1974, to subsidize a total loan principal not to exceed \$1,261,000,000.

HUD is prohibited from awarding any grants under the CDBG program until it transfers the small cities component of the CDBG program to the State of New York.

The Committee rejects the Administration's proposals to establish a number of boutique programs within the CDBG program, including the Metro Job Links program, Homeownership Zones, Citizens Volunteer Housing Corps and Empowerment Zones Planning and Implementation grants. These proposals should be addressed through the authorization committee.

In addition, the Committee has concerns about HUD's implementation and oversight of the empowerment zone designations. A re-

cent HUD Inspector General Audit Report, HUD's Oversight of the Empowerment Zone Program (March 30, 1999), highlighted the fact that HUD does not have an adequate system of oversight and control for the Empowerment Zone program and has not effectively assessed the program and status of Empowerment Zones. In particular, 4 cities reviewed by the HUD IG provided inaccurate information to HUD for 61 of the 64 activities (95.3 percent) evaluated from the June 30, 1997 Performance Reviews. In addition, the audit indicates that the cities reviewed inaccurately reported the actual status and progress for 35 of the activities and incorrectly reported 26 projects as Empowerment Zone activities when they were not. HUD needs to establish appropriate oversight requirements before additional funds can be considered.

HOME INVESTMENT PARTNERSHIPS PROGRAM

Appropriations, 1999	\$1,600,000,000
Budget estimate, 2000	1,610,000,000
Committee recommendation	1,600,000,000

PROGRAM DESCRIPTION

Title II of the National Affordable Housing Act, as amended, authorizes the HOME Investment Partnerships Program. This program provides assistance to States and units of local government for the purpose of expanding the supply and affordability of housing. Eligible activities include tenant-based rental assistance, acquisition, and rehabilitation of affordable rental and ownership housing and, also, construction of housing. To participate in the HOME Program, State and local governments must develop a comprehensive housing affordability strategy [CHAS]. There is a 25-percent matching requirement for participating jurisdictions which can be reduced or eliminated if they are experiencing fiscal distress.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,600,000,000 for the HOME Investment Partnership Program. This amount is the same as the fiscal year 1999 enacted level and \$10,000,000 less than the budget request.

HOMELESS ASSISTANCE

HOMELESS ASSISTANCE GRANTS

Appropriations, 1999	\$975,000,000
Budget estimate, 2000	1,020,000,000
Committee recommendation	1,020,000,000

PROGRAM DESCRIPTION

The "Homeless Assistance Grants Program" account is intended to fund the emergency shelter grants program, the supportive housing program, the section 8 moderate rehabilitation single-room occupancy program, and the shelter plus care program.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,020,000,000 for homeless assistance grants. The amount recommended is \$45,000,000 above the fiscal year 1999 enacted level and the same as the budget request for fiscal year 2000. The Committee remains concerned about the funding structure of the McKinney homeless assistance grants programs and the overall direction of HUD's administration of the program. The Committee believes that there is a need for a strong continuum of care approach which results in permanent and stable housing, not a revolving door. There is a particular need to stabilize homeless persons with mental disabilities to avoid this revolving door syndrome as well as the destabilizing impact this population can have on the effectiveness of local continuum of care strategies. Therefore, the Committee is including again this year a requirement that 30 percent of funds be allocated to permanent housing.

In addition, there is a 25-percent match requirement for services to maintain a balance between homeless services and the development of transitional and permanent housing.

The Committee also believes that HUD has created significant funding pressures on a number of local homeless initiatives through the poor planning of grant awards. The Committee is troubled particularly by HUD's decision to shift some \$23,000,000 plus from the fiscal year 1999 appropriation funds to fund supportive housing applications submitted as part of the fiscal year 1998 funding process. This shifting of funds was conducted without the consultation of Congress and this action is inappropriate, likely illegal, and undermines the credibility of HUD's budget request for homeless programs for fiscal year 2000.

HUD also is directed to work with other Federal agencies, such as the Department of Veterans Affairs and Department of Health and Human Services in developing a comprehensive Federal approach to homeless issues. A comprehensive Federal approach will make HUD's continuum of care more effective in meeting the needs of homeless persons.

To the extent that State and local jurisdictions receive homeless assistance, HUD is directed to ensure that these jurisdictions pass on at least 50 percent of all administrative funds to the nonprofits administering the homeless assistance programs.

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS [HOPWA]

Appropriations, 1999	\$225,000,000
Budget estimate, 2000	240,000,000
Committee recommendation	225,000,000

PROGRAM DESCRIPTION

The Housing Opportunities for Persons with AIDS [HOPWA] Program is designed to provide States and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons living with HIV/AIDS and their families.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$225,000,000 for this program, the same as the fiscal year 1999 enacted level and \$15,000,000 less than the budget request. This Committee remains concerned about HUD's management of this program as well as the increased costs of this program. Of particular note, the budget for HOPWA currently exceeds the annual budget request of \$194,000,000 for the section 811 Housing for Persons with Disabilities program, a program designed to provide housing assistance for all people with disabilities, including those with AIDS.

The Committee also requires HUD to allocate these funds in a manner designed to preserve existing HOPWA programs to the extent those programs are determined to be meeting the needs of persons with AIDS in a manner consistent with the requirements of the HOPWA program.

HOUSING PROGRAMS

HOUSING FOR SPECIAL POPULATIONS

Appropriations, 1999	\$854,000,000
Budget estimate, 2000	854,000,000
Committee recommendation	904,000,000

PROGRAM DESCRIPTION

This account consolidates the housing for the elderly under section 202; housing for the disabled under section 811; and public housing for Indian families. Under these programs, the Department provides capital grants to eligible entities for the acquisition, rehabilitation, or construction of housing. Twenty-five percent of the funding provided for housing for the disabled is available for tenant-based assistance under section 8.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$904,000,000 for development of additional new subsidized housing. Included in this recommendation is \$710,000,000 for capital advances for housing for the elderly (section 202 housing) and \$194,000,000 for capital advances for housing for the disabled (section 811 housing). These amounts include the fiscal year 1999 funding level for section 811 housing and provide an increase of \$50,000,000 above the fiscal year 1999 level for section 202 housing. Up to 25 percent of the funding allocated for housing for the disabled can be used to fund section 8 assistance for the disabled.

The section 202 funding includes \$100,000,000 for the conversion of Assisted Living Facilities and for service coordinators and congregate services, including \$50,000,000 in new funds. Of this amount, \$50,000,000 is for the conversion of section 202 housing to Assisted Living Facilities. It is expected that HUD will establish a number of new requirements to ensure the Assisted Living Facilities meet the needs of the frail elderly, as part of a continuum of care to ensure the dignity and independence of this population and to provide an opportunity for these persons to age in place. Also, \$50,000,000 would be available to fund congregate services and

service coordinators for the section 202 program. Congregate services and service coordinators are critical to a successful continuum of care approach that promotes the independence and personal dignity of our elderly citizens. Services include congregate meals, housekeeping, transportation, personal emergency response systems, case management and preventative health care programs.

FEDERAL HOUSING ADMINISTRATION

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Limitation on direct loans	Limitation on guaranteed loans	Administrative expenses
Appropriations, 1999	\$100,000,000	\$110,000,000,000	\$328,888,000
Budget estimate, 2000	50,000,000	120,000,000,000	330,888,000
Committee recommendation	100,000,000	120,000,000,000	330,888,000

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Limitation on direct loans	Limitation on guaranteed loans	Administrative expenses	Program costs
Appropriations, 1999	\$50,000,000	\$18,100,000,000	\$211,455,000	\$153,000,000
Budget estimate, 2000	50,000,000	18,100,000,000	211,455,000	153,000,000
Committee recommendation	50,000,000	18,100,000,000	211,455,000	153,000,000

PROGRAM DESCRIPTION

The Federal Housing Administration [FHA] fund covers the mortgage and loan insurance activity of about 40 HUD mortgage/loan insurance programs which are grouped into the mutual mortgage insurance [MMI] fund, cooperative management housing insurance [CMHI] fund, general insurance fund [GI] fund, and the special risk insurance [SRI] fund. For presentation and accounting control purposes, these are divided into two sets of accounts based on shared characteristics. The unsubsidized insurance programs of the mutual mortgage insurance fund and the cooperative management housing insurance fund constitute one set; and the general risk insurance and special risk insurance funds, which are partially composed of subsidized programs, make up the other.

The amounts for administrative expenses are to be transferred from the FHA program accounts to the HUD “Salaries and expenses” accounts.

Language is proposed to provide a commitment limitation amounting to \$120,000,000,000 in the “MMI/CMHI” account and \$18,100,000,000 in the “GI/SRI” account.

COMMITTEE RECOMMENDATION

The Committee has included the requested amounts for the “Mutual Mortgage Insurance Program” account: a limitation on guaranteed loans of \$120,000,000,000, a limitation on direct loans of \$100,000,000, and an appropriation of \$330,888,000 for administra-

tive expenses. For the GI/SRI account, the Committee recommends \$18,100,000,000 as a limitation on guaranteed loans, a limitation on direct loans of \$50,000,000, and \$211,455,000 for administrative expenses. The administrative expenses appropriation will be transferred and merged with the sums in the Department's "Salaries and expenses" account.

In addition, the Committee directs HUD to continue direct loan programs in 1999 for multifamily bridge loans and single family purchase money mortgages to finance the sale of certain properties owned by the Department. Temporary financing would be provided for the acquisition and rehabilitation of multifamily projects by purchasers who have obtained commitments for permanent financing from another lender. Purchase money mortgages would enable governmental and nonprofit intermediaries to acquire properties for resale to owner-occupants in areas undergoing revitalization.

HUD is directed to report to the Committee by May 15, 2000 on the implementation of the FHA single family property disposition program, enacted as part of the VA/HUD fiscal year 1999 Appropriations bill, including the status of the program and an analysis of all savings achieved to date and anticipated to be achieved over the next 5 years.

The Committee also is concerned about new proposed guidelines for appraisals, as provided in HUD's Homebuyer Protection Plan. Among the issues that have been raised are significant cost concerns where a purchaser with FHA mortgage insurance may have to pay two or three times the typical cost for an appraisal. In addition, it has been suggested that these new appraisal standards will encourage the use of FHA mortgage insurance in newer suburbs as opposed to making an investment in our older communities and inner-city neighborhoods. The Committee directs HUD to work with all interested parties to ensure that the final guidelines in the Homebuyer Protection Plan are fair, make sense and assist in creating additional homeownership opportunities.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1999:	
Limitation on guaranteed loans	\$150,000,000,000
Administrative expenses	9,383,000
Budget estimate, 2000:	
Limitation on guaranteed loans	200,000,000,000
Administrative expenses	15,383,000
Committee recommendation:	
Limitation on guaranteed loans	200,000,000,000
Administrative expenses	15,383,000

PROGRAM DESCRIPTION

The Government National Mortgage Association [GNMA], through the mortgage-backed securities program, guarantees privately issued securities backed by pools of mortgages. GNMA is a wholly owned corporate instrumentality of the United States within the Department. Its powers are prescribed generally by title III

of the National Housing Act, as amended. GNMA is authorized by section 306(g) of the act to guarantee the timely payment of principal and interest on securities that are based on and backed by a trust, or pool, composed of mortgages that are guaranteed and insured by the Federal Housing Administration, the Farmers Home Administration, or the Department of Veterans Affairs. GNMA's guarantee of mortgage-backed securities is backed by the full faith and credit of the United States.

In accord with the Omnibus Budget Reconciliation Act of 1990 [OBRA] requirements for direct and guaranteed loan programs, the administration is requesting \$15,383,000 for administrative expenses in the mortgage-backed securities program. Amounts to fund this direct appropriation to the "MBS program" account are to be derived from offsetting receipts transferred from the "Mortgage-backed securities financing" account to a Treasury receipt account.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on new commitments of mortgage-backed securities of \$200,000,000,000. This amount is the same level as proposed by the budget request. The Committee also has included \$15,383,000 for administrative expenses, the same as the budget request.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

Appropriations, 1999	\$47,500,000
Budget estimate, 2000	50,000,000
Committee recommendation	35,000,000

PROGRAM DESCRIPTION

Title V of the Housing and Urban Development Act of 1970, as amended, directs the Secretary of the Department of Housing and Urban Development to undertake programs of research, studies, and reports relating to the Department's mission and programs. These functions are carried out internally and through grants and contracts with industry, nonprofit research organizations, educational institutions, and through agreements with State and local governments and other Federal agencies. The research programs focus on ways to improve the efficiency, effectiveness, and equity of HUD programs and to identify methods to achieve cost reductions. Additionally, this appropriation is used to support HUD evaluation and monitoring activities and to conduct housing surveys.

COMMITTEE RECOMMENDATION

The Committee recommends \$35,000,000 for research and technology activities in fiscal year 2000. This amount is \$12,500,000 less than the fiscal year 1999 enacted level and \$15,000,000 less than the budget request. In addition, because HUD in the past has used this office's broad authority to administer new and unauthorized programs, this office is denied demonstration authority except

where approval is provided by Congress in response to a re-programming request.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

Appropriations, 1999	\$40,000,000
Budget estimate, 2000	47,000,000
Committee recommendation	40,000,000

PROGRAM DESCRIPTION

The fair housing activities appropriation includes funding for both the Fair Housing Assistance Program [FHAP] and the Fair Housing Initiatives Program [FHIP].

The Fair Housing Assistance Program helps State and local agencies to implement title VIII of the Civil Rights Act of 1968, as amended, which prohibits discrimination in the sale, rental, and financing of housing and in the provision of brokerage services. The major objective of the program is to assure prompt and effective processing of title VIII complaints with appropriate remedies for complaints by State and local fair housing agencies.

The Fair Housing Initiatives Program is authorized by section 561 of the Housing and Community Development Act of 1987, as amended, and by section 905 of the Housing and Community Development Act of 1992. This initiative is designed to alleviate housing discrimination by increasing support to public and private organizations for the purpose of eliminating or preventing discrimination in housing, and to enhance fair housing opportunities.

COMMITTEE RECOMMENDATION

The Committee recommendation provides \$40,000,000, of which \$25,000,000 is for the fair housing assistance program [FHAP] and no more than \$15,000,000 is for the fair housing initiatives program [FHIP].

The Committee is concerned that State and local agencies under FHAP should have the primary responsibility for identifying and addressing discrimination in the sale, rental, and financing of housing and in the provision of brokerage services. It is critical that consistent fair housing policies be identified and implemented to insure continuity and fairness, and that States and localities continue to increase their understanding, expertise, and implementation of the law.

The Committee remains concerned that the HUD Office of Fair Housing and Equal Opportunity continues to pursue regulatory authority over the property insurance industry through the Fair Housing Act. This activity is not within the ambit of the law. Moreover, while HUD has indicated that it does not intend to focus its regulatory authority over the property insurance requirements, the Committee reminds the Department that the McCarran-Ferguson Act of 1945 explicitly states that, "unless a Federal law specifically relates to the business of insurance, that law shall not apply where it would interfere with State insurance regulation." HUD assertion

of authority regarding property insurance regulation contradicts this statutory mandate.

Moreover, HUD's insurance-related activities duplicate State regulation of insurance. Every State and the District of Columbia have laws and regulations addressing unfair discrimination in property insurance and are actively investigating and addressing discrimination where it is found to occur. HUD's activities in this area create an unwarranted and unnecessary layer of Federal bureaucracy.

The Committee reaffirms the intent of the Fair Housing Act and the goal of housing for the disabled and is interested in the most effective use of funding for this program. However, the Committee is concerned with ongoing enforcement actions relating to disabled accessibility provisions of the Fair Housing Act. There is ongoing concern over certain HUD Fair Housing Initiative Program (FHIP) grantees filing discrimination claims against builders, architects, and developers with regard to the Fair Housing Accessibility Guidelines clarified in the 1998 HUD Fair Housing Act Design Manual. The Committee expects reasonable enforcement of the Fair Housing laws, taking into account the information available to, and the reasonable understanding on the part of, the parties expected to comply with the law.

The Department should be on notice that funding decisions are not separated from equitable enforcement of, and education about, the law. The Committee directs that more emphasis be given in the grant process to educational and outreach proposals specifically targeted to facilitate compliance with multi-family accessibility design and building industry professionals, such as architects, builders, developers, and local building code officials, with a preference given to applications demonstrating a collaborative educational approach. Clearly, HUD has an obligation to explain complex and confusing rules to those most involved in the construction of affordable housing in this country and expected to comply with those rules. "Enforcement" action should not be misconstrued or mischaracterized as an "educational" effort on the part of FHIP grantees. Grants should be awarded, and other enforcement activities by HUD should be pursued with the principal goal of ensuring accessible housing for people with disabilities. The Committee believes that settlement terms requiring advertising or the purposeful dissemination of the admission of wrongdoing with the intent to embarrass or harass should not occur.

The Committee directs HUD to report to the Committee, no later than concurrently with the fiscal year 2001 budget submission, on the following:

- (1) The number, nature, and status of complaints to HUD regarding application of guidelines;
- (2) The use of funds and efforts made with regard to educational and technical assistance;
- (3) The number and nature of complaints, cases, or enforcement actions in which HUD or a grantee has sought or achieved specific penalties or settlements for the denial of accessible housing to disabled persons other than remediation of the specific lack of accessibility; and

(4) The number and nature of complaints, cases, or enforcement actions initiated by grantees on a basis other than the actual denial of accessible housing to a disabled individual.

OFFICE OF LEAD HAZARD CONTROL

LEAD HAZARD REDUCTION

Appropriations, 1999	\$80,000,000
Budget estimate, 2000	80,000,000
Committee recommendation	80,000,000

PROGRAM DESCRIPTION

Title X of the Housing and Community Development Act of 1992 established the Residential Lead-Based Paint Hazard Reduction Act under which HUD is authorized to make grants to States, localities and native American tribes to conduct lead-based paint hazard reduction and abatement activities in private low-income housing. This has become a significant health hazard, especially for children. According to the Centers for Disease Control and Prevention [CDC], some 890,000 children have elevated blood levels, down from 1.7 million in the late 1980s. Despite this improvement, lead poisoning remains a serious childhood environmental condition, with some 4.4 percent of all children aged 1 to 5 years having elevated blood lead levels. This percentage is much higher for low-income children living in older housing.

COMMITTEE RECOMMENDATION

The Committee recommends \$80,000,000 for lead-based paint hazard reduction and abatement activities for fiscal year 2000. This is the same as the President's budget request for fiscal year 2000 and the same as the fiscal year 1999 appropriation level. Of this amount, HUD may use up to \$10,000,000 for the Healthy Homes Initiative under which HUD conducts a number of activities designed to identify and address housing-related illnesses. The Committee expects HUD to become more aggressive in addressing the threat of lead-related health hazards in rental housing supported with section 8 voucher assistance. Where these risks are high, vouchers should not be permitted.

OFFICE OF MULTIFAMILY HOUSING ASSISTANCE RESTRUCTURING

The Committee is aware of the efforts the Department has made to bridge the growing digital divide between information technology "haves" and "have nots" through its Neighborhood Networks initiative. This initiative leverages local businesses, community organizations, local residents and other partners to provide residential computing centers to HUD-assisted housing throughout the country which in turn provide computer and job training, senior and youth programs and a variety of other supportive services at almost no direct cost to the Department. The Committee directs the Department to submit a report no later than June 30, 2000 which details and evaluates: the goals and progress of the initiative; strategies to sustain resident involvement in the program and to overcome other potential obstacles, which the report should identify; future areas of opportunity for the program, including possible partner-

ships with non-profit organizations and other Federal agencies; and the effectiveness of the initiative relative to the mission and goals of the Department as specified in the strategic and annual operating plan.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

[In thousands of dollars]

	Appropriation	FHA funds by transfer	GNMA funds by transfer	CGDB funds by transfer	Title VI transfer	Indian housing	Total
Appropriations, 1999	456,843	528,000	9,383	1,000	150	200	985,826
Budget estimate, 2000	502,000	518,000	9,383	1,000	200	400	1,030,733
Committee recommendation	414,000	518,000	9,383	1,000	150	200	942,733

PROGRAM DESCRIPTION

The recommendation includes a single "Salaries and expenses" account to finance all salaries and related expenses associated with administering the programs of the Department of Housing and Urban Development. These include the following activities:

Housing and mortgage credit programs.—This activity includes staff salaries and related expenses associated with administering housing programs, the implementation of consumer protection activities in the areas of interstate land sales, mobile home construction and safety, and real estate settlement procedures.

Community planning and development programs.—Funds in this activity are for staff salaries and expenses necessary to administer community planning and development programs.

Equal opportunity and research programs.—This activity includes salaries and related expenses associated with implementing equal opportunity programs in housing and employment as required by law and Executive orders and the administration of research programs and demonstrations.

Departmental management, legal, and audit services.—This activity includes a variety of general functions required for the Department's overall administration and management. These include the Office of the Secretary, Office of General Counsel, Office of Chief Financial Officer, as well as administrative support in such areas as accounting, personnel management, contracting and procurement, and office services.

Field direction and administration.—This activity includes salaries and expenses for the regional administrators, area office managers, and their staff who are responsible for the direction, supervision, and performance of the Department's field offices, as well as administration support in areas such as accounting, personnel management, contracting and procurement, and office services.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$985,826,000 for salaries and expenses. This amount is the same as the fiscal year 1999 enacted level and the budget request. The appropriation in-

cludes the requested amount of \$518,000,000 transferred from various funds from the Federal Housing Administration, \$9,383,000 transferred from the Government National Mortgage Association, \$1,000,000 from the community development block grant funds, \$150,000 from title VI, and \$200,000 from the native American housing block grant.

In addition, the Department is prohibited from employing more than 77 schedule C and 20 noncareer senior executive service employees.

The Committee is very disappointed in the growth of the Community Builders program, from a fledgling thought to a full-blown program of some 800 staff, including a new class of 400 high-paid contract employees whose primary job is to communicate HUD programs to local governments and communities. Unfortunately, there is no valid evidence that these community builders are communicating HUD programs effectively or providing a link for the delivery of program services, and much of the activity seems to be primarily for public relations. In many cases, the Community Builders do not appear to act like HUD staff, but instead seemingly act in the capacity of lobbyists for a particular community or group. The Committee also is concerned that the growth of this program is occurring at a time when HUD is committed to reducing career staff from the current level of 9,300 to 7,500 in 2002. The Committee believes that HUD needs to build from within through a committed staff of HUD professionals who can serve as a vital link in a continuum of care for the delivery of HUD programs. Therefore, the Committee is terminating the program beginning on February 1, 2000 for all external community builders, with the expectation that these contract employees can transition to new work by that time. The Committee also expects HUD to refocus on redeveloping the Department from the inside with an emphasis on program delivery, not public relations.

The Department also is prohibited from employing more than 9,300 FTEs, including all OMHAR employees and any contract employees working on-site in a position which would normally be occupied by an FTE. In addition, HUD is prohibited from employing more than 200 external community builders. HUD also is prohibited from employing more than 14 FTEs in the Office of Public Affairs.

The Committee is concerned that HUD's request for salaries and expenses do not reflect the Secretary's implementation of the HUD 2020 management reform plan. The Committee directs HUD to submit to the Committee by April 15, 2000, an analysis of the HUD budget request for salaries and expenses for fiscal year 1999, including all projected savings from the Secretary's reform efforts. The report should include a breakdown of all salaries and expenses and staff by program, office, and grade, including all staffing costs in the field. All expenses, other than staffing costs, such as travel costs and public relations costs, within this account also should be clearly identified.

In addition, the Committee is troubled that the Department's justification for the Office of Multifamily Housing Assistance Restructuring's (OMHAR) salaries and expenses are not adequately justified. According to preliminary GAO results, HUD's fiscal year

2000 budget proposal for OMHAR to hire 101 full-time equivalent staff lacks adequate documentation and justification. Neither HUD nor OMHAR have been able to explain the need or rationale for this staffing level or its suggested structural plans for field offices.

The Committee is further concerned that the Department's staffing justification for OMHAR does not reflect its roles and responsibilities as envisioned by the "mark-to-market" legislation. OMHAR and HUD have not provided the Committee any convincing evidence that 101 staff is needed to run a program that was envisioned to be implemented primarily by publicly accountable third parties, namely qualified State and local housing finance agencies. While the Committee appreciates OMHAR's efforts to ensure public accountability, the Committee is concerned that the procedures and processes in place may be overly prescriptive and potentially result in delaying the completion of transactions. The intent of mark-to-market was to provide as much flexibility as possible within reasonable parameters to allow the third parties to perform its duties in an efficient and effective manner. The role of OMHAR was to ensure that proper procedures were in place, qualified and publicly accountable entities were selected to act on behalf of the Federal government, and to perform post-audit oversight duties after a reasonable period of time and number of deals were completed. It is not evident that HUD and OMHAR have structured the program to meet the intent of the law.

Due to the Committee's many concerns, the Department is directed to hire no more than 50 employees for OMHAR until it is able to provide to the Committee an adequate justification for its staffing and field office needs. This justification should include a workload analysis, a detailed plan on the use of any outside assistance such as contractors and consultants, and a breakdown by position and explanation for its funding needs for salaries and expenses, contract services, and travel. Further, OMHAR is directed to provide the Committee quarterly reports on the status of the program, including number of properties and units whose rents have been restructured, the costs of refinancing the mortgages, and the amount of section 8 cost savings. The first report should be provided to the Committee by no later than January 5, 2000.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

	Appropriation	FHA funds by transfer	Drug elimination grants transfer	Total
Appropriations, 1999	\$49,657,000	\$22,343,000	\$10,000,000	\$81,910,000
Budget estimate, 2000	38,000,000	22,343,000	10,000,000	70,343,000
Committee recommendation	54,657,000	22,343,000	10,000,000	95,910,000

PROGRAM DESCRIPTION

This appropriation would finance all salaries and related expenses associated with the operation of the Office of the Inspector General [OIG].

COMMITTEE RECOMMENDATIONS

The Committee recommends a funding level of \$95,910,000 for the Office of Inspector General. This amount is \$4,000,000 above the fiscal year 1999 enacted level and \$15,567,000 more than the budget request. This funding level includes \$22,343,000 by transfer from various FHA funds and \$10,000,000 from drug elimination grants, the same level as proposed in the budget request.

This account includes an additional \$10,000,000 for the HUD IG to contract with independent auditors and investigators, especially in circumstances where special expertise is needed. For example, the Department has struggled for years to provide Congress with an accurate and reliable accounting of its section 8 funds. The results have been mixed at best, where the Department has in just the last 5 years identified over \$10,000,000,000 in excess section 8 funds available for rescission. Nevertheless, the status of appropriated section 8 funds remains unclear. The Committee expects the HUD IG to contract for a financial audit of all section 8 funds. Because of the difficulty of this undertaking, the Committee requests that the HUD IG advise the Committee on the proposed scope of the audit, the costs and a reasonable date for submission. The Committee directs the HUD IG to consult with Congress on all proposals for additional audits.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1999	\$16,000,000
Budget estimate, 2000	19,493,000
Committee recommendation	16,000,000

PROGRAM DESCRIPTION

This appropriation funds the Office of Federal Housing Enterprise Oversight [OFHEO], which was established in 1992 to regulate the financial safety and soundness of the two housing Government sponsored enterprises [GSE's], the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. The Office was authorized in the Federal Housing Enterprise Safety and Soundness Act of 1992, which also instituted a three-part capital standard for the GSE's, and gave the regulator enhanced authority to enforce those standards.

COMMITTEE RECOMMENDATION

The Committee recommends \$16,000,000 for the Office of Federal Housing Enterprise Oversight, which is \$3,493,000 less than the budget request. The Committee appreciates that OFHEO has issued draft risk-based capital standards for the GSE's, as required by the Housing and Community Development Act of 1992. These regulations are long overdue.

ADMINISTRATIVE PROVISIONS

SEC. 201. *Financing adjustment factors.* Provides an incentive for refinancing projects financed with FAF bonds to lower the cost of section 8 assistance.

SEC. 202. *Fair housing and free speech.* Prohibits prosecution of persons under the Fair Housing Act where person is engaged in lawful activity.

SEC. 203. *Enhanced Disposition Authority.* Provides HUD flexibility in disposing of HUD-owned and HUD-held properties.

SEC. 204. *HOPWA grants.* Technical correction to HOPWA.

SEC. 205. *FHA multifamily mortgage credit demonstrations.* Extends HUD's multifamily mortgage insurance risk-sharing programs through fiscal year 1999.

SEC. 206. *Clarification of owner's right to prepay.* Clarifies owners right to prepay certain mortgages.

SEC. 207. *Funding of certain public housing funding.* Prohibits HUD from funding state-assisted housing.

SEC. 208. *FHA administrative contract expense authority.* Defines nonadministrative FHA expenses.

SEC. 209. *Full payment of claims.* Technical correction to Mark-to-Market authority.

SEC. 210. *Availability of income matching information.* Extends income matching procedures to assisted multifamily housing.

SEC. 211. *Elimination of Public Housing Set-Aside.* Eliminates HUD's ability to use public housing capital and operating funds.

SEC. 212. *Technical correction to mark-to-market program.* Technical correction to preserve state-financed multifamily housing in a manner consistent with financing agreements or law.

SEC. 213. *Technical correction to FHA.* Makes technical correction to FHA program.

SEC. 214. *Limitation on compensation for public housing.* Limits compensation for public housing employees to \$125,000 except where the HUD Secretary certifies that a higher salary is warranted due to special purposes. Because public housing is funded entirely by Federal funds, the Committee wants to ensure that compensation is reasonable and consistent with Federal salary guidelines. Further this section is not intended to be used to increase salaries. In addition, this section also recognizes in certain circumstances where there are significant and complex issues such as issues associated with the receivership of a troubled large PHA, additional compensation may be warranted.

SEC. 215. *Limitation on compensation for Youthbuild.* Limits compensation for Youthbuild employees to \$125,000, except where HUD certifies a higher salary is appropriate. Because the Youthbuild program is funded substantially by Federal funds, the Committee wants to ensure that compensation is reasonable and consistent with Federal salary guidelines. Further, this section is not intended to be used to increase salaries.

SEC. 216. *Adjustments to income for unusually high or low income families in assisted housing.* Permits HUD to make adjustments to income for unusually high or low income families in assisted housing.

SEC. 217. *GAO reimbursement.* Requires GAO to certify quarterly on the cost of time attributable to the failure of HUD to cooperate with any GAO investigation and to reimburse GAO for these costs.

SEC. 218. *HOME technical correction.* Authorizes the use of HOME funds for the preservation of multifamily housing assisted or previously assisted with section 8 assistance. This section clarifies the flexibility of using HOME funds in preserving section 8 housing, especially housing where the owner has opted out of the section 8 program and has declined to renew the expiring section 8 contract. This authority will allow localities to assist in the purchase of this housing by nonprofits and resident groups or assist in supplementing the rental assistance where new rents may be higher than the section 8 “fair market rents”.

SEC. 219. *Exemption for Alaska and Mississippi from requirement of resident on board.* Exempts public housing in Alaska and Mississippi from the requirement of having a public housing resident on the board of directors of PHAs for fiscal year 2000.

SEC. 220. *Administration of the CDBG program by the State of New York.* Requires HUD to transfer the administration of the Small Cities component of the CDBG program to the State of New York. This transfer is at the request of Governor Pataki of New York. The Committee understands that New York State elected to administer the Small Cities component of the CDBG program in September, 1996 and that HUD has failed to make the requested transfer despite the fact that the CDBG program is designed to allow states and localities to have block grant funds to meet local needs. New York is only one of two states to have their state CDBG program administered by the federal government.

SEC. 221. *Renewal of section 8 project-based contracts.* Authorizes HUD to renew expiring section 8 project-based contracts up to market rents. This section restates current authority that HUD may renew section 8 project-based contracts up to the market rents, and requires HUD to offer market rents to properties that are in a low vacancy area or where a predominant number of units are occupied by elderly families, disabled families, or elderly and disabled families.

SEC. 222. *Enhanced vouchers for residents of projects with expiring section 8 contracts.* Authorizes HUD to provide “sticky” or enhanced vouchers for tenants of section 8 project-based housing where the owners of such housing have rejected the renewal of the section 8 contracts. This section will allow tenants to continue to maintain their homes where the owners of their rental units have raised rents after rejecting the renewal of project-based contracts. This especially is important where the tenants are elderly or persons with disabilities, and want to age in place. HUD must make every effort to renew expiring section 8 project-based contracts before making sticky vouchers available.

SEC. 223. *Housing finance agencies.* Authorizes HUD to contract with State housing finance agencies for determining the market rent associated with units with expiring section 8 project-based contracts for purposes of renewing these contracts.

SEC. 224. *Section 202 Exemption.* Provides limited age exemption to single 202 project.

SEC. 225. *Darlington Preservation Amendment.* Assists a section 236 project.

SEC. 226. *Section 236 IRP Reform.* Modest program reform to section 236 program.

SEC. 227. *Risk-sharing priority.* Provides a priority for risk-sharing mortgage insurance for mark-to-market transactions.

TITLE III—INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

Appropriations, 1999	\$26,431,000
Budget estimate, 2000	26,467,000
Committee recommendation	26,467,000

PROGRAM DESCRIPTION

The American Battle Monuments Commission [ABMC] is responsible for the maintenance and construction of U.S. monuments and memorials commemorating the achievements in battle of our Armed Forces since April 1917; for controlling the erection of monuments and markers by U.S. citizens and organizations in foreign countries; and for the design, construction, and maintenance of permanent military cemetery memorials in foreign countries. The Commission maintains 24 military memorial cemeteries and 23 monuments, memorials, and markers in 15 countries around the world. In addition, the Commission administers four large memorials on U.S. soil. It is presently charged with erecting a World War II Memorial in the Washington, DC, area.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$26,467,000 for the American Battle Monuments Commission, which is \$36,000 over the fiscal year 1999 enacted level. The Committee also is providing the ABMC authority to borrow up to \$65,000,000 from the United States Treasury in order to begin the construction of the World War II Memorial in fiscal year 2000. The Committee expects to include in conference comprehensive legislation to ensure appropriate requirements are met in the funding of any loan.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

SALARIES AND EXPENSES

Appropriations, 1999	\$6,500,000
Budget estimate, 2000	7,500,000
Committee recommendation	6,500,000

PROGRAM DESCRIPTION

The Chemical Safety and Hazard Investigation Board was authorized by the Clean Air Act Amendments of 1990 to investigate accidental releases of certain chemical substances resulting in serious injury, death, or substantial property damage. It became operational in fiscal year 1998.

COMMITTEE RECOMMENDATION

The Committee recommends \$6,500,000 for the Chemical Safety and Hazard Investigation Board, the same as the fiscal year 1999 enacted level and a decrease of \$1,000,000 below the budget request.

The Committee is troubled that the Board has not been making the most effective use of its resources. The agency has a disproportionate number of staff devoted to external affairs activities; a disproportionate amount of contract funds going to activities which are not directly related to accident investigations; no criteria to select and prioritize investigations; and significant contracts management problems including the lack of formal, written procedures for its staff to follow in awarding and managing contracts. Ineffective use of resources resulted in an announcement earlier this year that the Board would not begin any new investigations this fiscal year, when the year was only half over.

The Committee also notes the agency has failed to meet the expectations it set forth in its August 1997 business plan, including the fact that the Board has completed and reported the results for only two investigations since commencing operations in January 1998.

The Committee respects the challenges of creating a new organization, and is encouraged that the three reports produced by the Board this year have been well received. Nevertheless, the Committee believes that the Board has put too much emphasis on external affairs and information management, and too little on investigation and reporting. The Committee is also concerned that the Board seems to be pursuing activities that go beyond its mission of investigating and preventing catastrophic chemical incidents.

The Committee directs the Board to complete an updated business plan, formal written procedures for awarding and managing contracts, and formal written procedures for selecting and performing investigations by December 31, 1999. The Committee directs the Board not to fill any more positions in the areas of External Relations or Information Technology and directs the Board to spend the preponderance of its contract resources on investigations and safety, rather than on external affairs or information technology.

The Committee directs that no funds be expended to develop software for vulnerability assessments. This is not an effective allocation of resources.

The Committee does not intend to augment the Board's resources until it is confident that appropriate management practices have been implemented and resources are being effectively allocated to chemical accident investigations where the Board can make useful recommendations with broad application.

The Committee has again included bill language limiting the number of career senior executive service positions to three.

DEPARTMENT OF THE TREASURY

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM
ACCOUNT

Appropriations, 1999	\$95,000,000
Budget estimate, 2000	125,000,000
Committee recommendation	80,000,000

PROGRAM DESCRIPTION

The Community Development Financial Institutions [CDFI] fund provides grants, loans, and technical assistance to new and existing community development financial institutions such as community development banks, community development credit unions, revolving loan funds, and microloan funds. Recipient institutions are required to support mortgage, small business, and economic development lending in currently underserved, distressed neighborhoods.

COMMITTEE RECOMMENDATION

The Committee recommends \$80,000,000 for CDFI, \$15,000,000 below the fiscal year 1999 appropriated level as provided in the Fiscal Year 1999 VA-HUD Appropriations Act and \$45,000,000 below the administration's request. This funding level is provided due to continuing concerns raised by the Senate Banking Committee about the Fund's ability to manage its current program responsibilities. Further, the Committee does not recommend funding for a new microenterprise lending program proposed by the Administration due to the lack of authorization and concerns about duplicating existing microenterprise efforts. According to the General Accounting Office, there are already seven other federal agencies and 20 specific federal programs that support microenterprise development. The Small Business Administration currently provides significant funding for microenterprise technical assistance and capacity building. Further, some states and private foundations provide support for these types of microenterprise efforts.

The Committee is concerned that the CDFI does not adequately provide capital in low-population rural states. In fact, less than 11 percent of the CDFI core component awards granted between 1996 and 1998 were provided to states with populations less than 2 million people. The Committee directs the CDFI Fund to improve its efforts in making funding available to entities in states with populations of less than 2 million people. Further, the Fund is required to submit a report to the Committee by March 15, 2000 on its progress in addressing the economic development needs of small rural areas. In its report, the Fund should analyze the feasibility of considering additional objective measures of economic distress, such as underemployment and gradual outmigration over an extended time period.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

Appropriations, 1999	\$47,000,000
Budget estimate, 2000	50,500,000
Committee recommendation	49,500,000

PROGRAM DESCRIPTION

The Commission is an independent regulatory agency that was established on May 14, 1973, and is responsible for protecting the public against unreasonable risks of injury from consumer products; assisting consumers to evaluate the comparative safety of consumer products; developing uniform safety standards for consumer products and minimizing conflicting State and local regulations; and promoting research and investigation into the causes and prevention of product-related deaths, illnesses, and injuries.

In carrying out its mandate, the Commission establishes mandatory product safety standards, where appropriate, to reduce the unreasonable risk of injury to consumers from consumer products; helps industry develop voluntary safety standards; bans unsafe products if it finds that a safety standard is not feasible; monitors recalls of defective products; informs and educates consumers about product hazards; conducts research and develops test methods; collects and publishes injury and hazard data, and promotes uniform product regulations by governmental units.

COMMITTEE RECOMMENDATION

The Committee recommends \$49,500,000 for the Consumer Product Safety Commission, a decrease of \$1,000,000 below the budget estimate and an increase of \$2,500,000 above the fiscal year 1999 enacted level. The decrease is to be taken at the agency's discretion, subject to normal reprogramming guidelines.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS

OPERATING EXPENSES

Appropriations, 1999	\$435,500,000
Budget estimate, 2000	545,500,000
Committee recommendation	423,500,000

PROGRAM DESCRIPTION

The Corporation for National and Community Service, a Corporation owned by the Federal Government, was established by the National and Community Service Trust Act of 1993 (Public Law 103-82) to enhance opportunities for national and community service and provide national service educational awards. The Corporation makes grants to States, institutions of higher education, public and private nonprofit organizations, and others to create service opportunities for a wide variety of individuals such as students, out-of-school youth, and adults through innovative, full-time national and community service programs. National service participants may receive educational awards which may be used for full-time or part-

time higher education, vocational education, job training, or school-to-work programs.

The Corporation is governed by a board of directors and headed by the Chief Executive Officer of the Corporation. Board members and the Chief Executive Officer of the Corporation are appointed by the President of the United States and confirmed by the Senate.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$423,500,000 for the Corporation for National and Community Service. Of this amount, \$70,000,000 is for educational awards; \$224,500,000 is for grants under the National Service Trust, including the AmeriCorps program; \$7,500,000 is for the Points of Light Foundation; \$18,000,000 is for the Civilian Community Corps; \$43,000,000 is available for school-based and community-based service-learning programs; \$28,500,000 is for quality and innovation activities; \$27,000,000 is for administrative expenses; and \$5,000,000 is for audits and other evaluations. The total amount is \$12,000,000 less than the fiscal year 1999 enacted level.

Despite the unqualified opinion rendered by the independent auditor on the Corporation's Statement of Financial Position, the Committee remains extremely troubled by the Corporation's inability to operate its activities with adequate responsibility and accountability. To illustrate these problems, the auditors were unable to render an opinion on the Corporation's Statement of Operations and Changes in Net Position, and the Statement of Cash Flows. This was due to the Corporation's financial systems and management's inability to explain certain adjustments made to the accounting records. A major reason for this disclaimer was the Corporation's inability to explain \$31,000,000 worth of expenditures. Further, an additional two material weaknesses in the Corporation's financial operations were identified in the audit.

While the Committee appreciates the Corporation's attempts to repair its well-documented operational problems, the Committee is extremely troubled by the Corporation's inability to explain \$31,000,000 in expenditures as disclaimed by the independent auditors. This error not only highlights the significant and continuous problems in the Corporation's financial operations but also severely undermines its credibility with this committee. The Committee urges the Corporation to identify what these funds were spent on and whether they represent inappropriate or possibly illegal expenditures.

Another problem identified by the Inspector General was the existence of a large surplus of funds in the National Service Trust account. The IG found a surplus of approximately \$100,000,000 in excess funds in the Trust account to fund its existing liabilities. The Committee, however, is very concerned that the Corporation may be requesting more funds than is necessary to meet its liabilities for its AmeriCorps program; thus, accordingly, bill language is included to rescind \$80,000,000 in surplus funds. The Committee also directs the Corporation to report in its fiscal year 2001 budget request and operating plan the status of its Trust fund reserve including the award usage rate and the number of participants in the program.

The Committee continues its strong support for the Corporation's literacy and mentoring efforts and the AmeriCorps participation in helping homeless veterans and directs the Corporation to increase its support in these areas. Specifically, the Committee is providing \$40,000,000 for the "America Reads" literacy and mentoring program. The Committee also directs the Corporation to submit a report by March 15, 2000 on its literacy and mentoring activities and funding support.

The Committee is also providing \$5,000,000 for the Girl Scouts of America, Inc. "P.A.V.E. (Project Anti-Violence Education) the Way" project, which is a youth anti-violence program based on girls working in partnership with adult volunteers to meet community needs. This funding will be used to create and implement comprehensive violence prevention and intervention programs.

The Committee directs the Corporation to provide \$250,000 directly to the Shelby County Commission's RSVP Program in Alabama. The Corporation is directed to allow the Shelby County Commission to operate its program separately from the existing multi-county consortium.

OFFICE OF INSPECTOR GENERAL

Appropriations, 1999	\$3,000,000
Budget estimate, 2000	3,000,000
Committee recommendation	5,000,000

PROGRAM DESCRIPTION

The Office of Inspector General within the Corporation for National and Community Service is authorized by the Inspector General Act of 1978, as amended. The goals of the Office are to increase organizational efficiency and effectiveness and to prevent fraud, waste, and abuse. The Office of Inspector General within the Corporation for National and Community Service was transferred to the Corporation from the former ACTION agency when ACTION was abolished and merged into the Corporation in April 1994.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$5,000,000 for the Office of Inspector General [OIG]. This is a \$2,000,000 increase over the amount appropriated for this Office in fiscal year 1999 and the budget request.

The Committee is providing an additional \$2,000,000 in fiscal year 2000 funds to the OIG for the purpose of reviewing and auditing the State Commissions of the Corporation for National and Community Service.

Over the past five years, the OIG has reported numerous instances of mismanagement and fraud in AmeriCorps programs. These problems range from inadequate record-keeping, to improper counting of service hours by AmeriCorps members and programs, to outright fraud and abuse. In addition, OIG has reported that most phases of the AmeriCorps grant program, as operated by the Corporation, are flawed, from the review of grant proposals and the pre-award process, the awarding and monitoring of grantees, and the close-out and follow-up of grants.

Recent events, including the convictions of two AmeriCorps administrators for fraud, underscore the need for better monitoring and oversight. The most recent matter to reach the press is equally disheartening, and concerns two Indiana programs that apparently directed AmeriCorps members to engage in activities which are clearly not appropriate under the National and Community Service Act, as amended, and the Corporation's regulations, and should not be counted toward service hours required to earn an award. These abuses, reported on July 29, 1999, by the Indiana State Auditor, indicate that the State Commissions themselves might be inadequate to the task of monitoring and overseeing the program sites. It would appear that the Corporation has done little, if anything, to review the ability of the State Commissions to monitor the activities of the programs sites.

Given the context, the Committee is firm in its belief that a more directed effort is appropriate. In response to previously-voiced Congressional concerns, the OIG, in fiscal year 1999, developed a financial review methodology and began the review of 18 of 50 State Commissions. OIG's intent is to review and assess all State Commissions' fiscal operations and monitoring of AmeriCorps programs. Based on these results, the OIG plans to audit the state commissions.

U.S. COURT OF VETERANS APPEALS

SALARIES AND EXPENSES

Appropriations, 1999	\$10,195,000
Budget estimate, 2000	11,450,000
Committee recommendation	11,450,000

PROGRAM DESCRIPTION

The Court of Veterans Appeals was established by the Veterans' Judicial Review Act. The court has exclusive jurisdiction to review decisions of the Board of Veterans' Appeals. It has the authority to decide all relevant questions of law, interpret constitutional, statutory, and regulatory provisions, and determine the meaning or applicability of the terms of an action by the Department of Veterans Affairs. It is authorized to compel action by the Department unlawfully withheld or unreasonably delayed. It is authorized to hold unlawful and set-aside decisions, findings, conclusions, rules and regulations issued or adopted by the Department of Veterans Affairs or the Board of Veterans' Appeals.

COMMITTEE RECOMMENDATION

The Committee recommends the budget estimate of \$11,450,000 for the Court of Veterans Appeals, an increase of \$1,255,000 above the fiscal year 1999 enacted level and the same as the fiscal year 2000 budget request. The recommendation includes \$910,000 for the pro bono representation program.

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

Appropriations, 1999	\$11,666,000
Budget estimate, 2000	12,473,000
Committee recommendation	12,473,000

PROGRAM DESCRIPTION

Responsibility for the operation of Arlington National Cemetery and Soldiers' and Airmen's Home National Cemetery is vested in the Secretary of the Army. As of September 30, 1998, Arlington and Soldiers' and Airmen's Home National Cemeteries contained the remains of 272,195 persons and comprised a total of approximately 628 acres. There were 3,604 interments and 2,034 inurnments in fiscal year 1997; 3,600 interments and 2,100 inurnments are estimated for the current fiscal year; and 3,700 interments and 2,150 inurnments are estimated for fiscal year 1999.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$12,473,000 for the Army's cemeterial expenses. This amount is \$807,000 above the fiscal year 1999 enacted level and the same as the fiscal year 2000 budget request.

ENVIRONMENTAL PROTECTION AGENCY

Appropriations, 1999	\$7,590,352,000
Budget estimate, 2000	7,206,646,000
Committee recommendation	7,322,378,000

GENERAL DESCRIPTION

The Environmental Protection Agency [EPA] was created through Executive Reorganization Plan No. 3 of 1970 designed to consolidate certain Federal Government environmental activities into a single agency. The plan was submitted by the President to the Congress on July 8, 1970, and the Agency was established as an independent agency in the executive branch on December 2, 1970, by consolidating 15 components from 5 departments and independent agencies.

A description of EPA's pollution control programs by media follows:

Air.—The Clean Air Act Amendments [CAA] of 1990 authorize a national program of air pollution research, regulation, prevention, and enforcement activities.

Water quality.—The Clean Water Act [CWA], as amended in 1977, 1981, and 1987, provides the framework for protection of the Nation's surface waters. The law recognizes that it is the primary responsibility of the States to prevent, reduce, and eliminate water pollution. The States determine the desired uses for their waters, set standards, identify current uses and, where uses are being impaired or threatened, develop plans for the protection or restoration of the designated use. They implement the plans through control

programs such as permitting and enforcement, construction of municipal waste water treatment works, and nonpoint source control practices. The CWA also regulates discharge of dredge or fill material into waters of the United States, including wetlands.

Drinking water.—The Safe Drinking Water Act [SDWA] of 1974, as amended in 1996, charges EPA with the responsibility of implementing a program to assure that the Nation's public drinking water supplies are free of contamination that may pose a human health risk, and to protect and prevent the endangerment of ground water resources which serve as drinking water supplies.

Hazardous waste.—The Resource Conservation and Recovery Act of 1976 [RCRA] mandated EPA to develop a regulatory program to protect human health and the environment from improper hazardous waste disposal practices. The RCRA Program manages hazardous wastes from generation through disposal.

EPA's responsibilities and authorities to manage hazardous waste were greatly expanded under the Hazardous and Solid Waste Amendments of 1984. Not only did the regulated universe of wastes and facilities dealing with hazardous waste increase significantly, but past mismanagement practices, in particular prior releases at inactive hazardous and solid waste management units, were to be identified and corrective action taken. The 1984 amendments also authorized a regulatory and implementation program directed to owners and operators of underground storage tanks.

Pesticides.—The objective of the Pesticide Program is to protect the public health and the environment from unreasonable risks while permitting the use of necessary pest control approaches. This objective is pursued by EPA under the Food Quality Protection Act, the Federal Insecticide, Fungicide, and Rodenticide Act [FIFRA] and the Federal Food, Drug, and Cosmetic Act [FFDCA] through three principal means: (1) review of existing and new pesticide products; (2) enforcement of pesticide use rules; and (3) research and development to reinforce the ability to evaluate the risks and benefits of pesticides.

Radiation.—The radiation program's major emphasis is to minimize the exposure of persons to ionizing radiation, whether from naturally occurring sources, from medical or industrial applications, nuclear power sources, or weapons development.

Toxic substances.—The Toxic Substances Control Act [TSCA] establishes a program to stimulate the development of adequate data on the effects of chemical substances on health and the environment, and institute control action for those chemicals which present an unreasonable risk of injury to health or the environment. The act's coverage affects more than 60,000 chemicals currently in commerce, and all new chemicals.

Multimedia.—Multimedia activities are designed to support programs where the problems, tools, and results are cross media and must be integrated to effect results. This integrated program encompasses the Agency's research, enforcement, and abatement activities.

Superfund.—The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 [CERCLA] established a national program to protect public health and the environment from the threats posed by inactive hazardous waste sites and uncon-

trolled spills of hazardous substances. The original statute was amended by the Superfund Amendments and Reauthorization Act of 1986 [SARA]. Under these authorities, EPA manages a hazardous waste site cleanup program including emergency response and long-term remediation.

Leaking underground storage tanks.—The Superfund Amendments and Reauthorization Act of 1986 [SARA] established the leaking underground storage tank [LUST] trust fund to conduct corrective actions for releases from leaking underground storage tanks that contain petroleum or other hazardous substances. EPA implements the LUST response program primarily through cooperative agreements with the States.

COMMITTEE RECOMMENDATION

The Committee recommends a total of \$7,322,378,000 for EPA. This is an increase of \$115,732,000 above the budget request and a decrease of \$267,974,000 below the fiscal year 1999 enacted level.

The Committee believes EPA's state revolving funds represent a critical investment in our nation's water quality. With the significant unmet need in water infrastructure financing, the Committee has made the state revolving fund programs a high priority and has restored the President's reduction of \$550,000,000 to the clean water SRF.

The Committee has also sought to protect funding levels for the core EPA programs, including the NPDES permit program, pesticides registration and reregistration, RCRA corrective action, and compliance assistance activities. Also, the Committee has made a priority of science and technology to provide research and information leading to the most effective approaches to protecting the environment. The Committee did not fund new unauthorized programs, and eliminated or reduced lower priority activities. The Committee has not provided for any growth in EPA staffing, and notes there has been significant growth in EPA's workforce in the past five years.

In fiscal year 1999 EPA is implementing a new budget structure for the first time. EPA developed this budget structure to comply with the Government Performance and Results Act. EPA's strategic plan, with its 10 goals and myriad of objectives and subobjectives, is the basis for the new structure. While the Committee notes the difficulty of transitioning to a new budget structure and acknowledges the agency's efforts in attempting to comply with the Results Act, there are several major concerns. First, the Committee is very troubled that program information is very difficult to identify within the various goals and objectives, and funding for key programs often is divided into several goals or objectives with little rationale for how the funding is allocated. Many program activities easily could be justified under several goals or objectives, leading to serious questions about budget accountability.

Also, the Committee is concerned that in executing the budget, agency activities may not be conforming with the budget approved by the Congress. While the agency has been attempting to ferret out inconsistencies—as demonstrated in a major reprogramming request for fiscal year 1999 which realigns dollars with actual activities in myriad objectives—the Committee is concerned there

continues to be a lack of accountability within programs and regions for funds appropriated. The Committee will be monitoring this issue closely and directs that the Inspector General make recommendations for improving budget accountability.

The agency is directed to notify the Committee prior to each reprogramming in excess of \$500,000 between objectives, when those reprogrammings are for different purposes. The exceptions to this limitation are as follows: (1) for the "Environmental programs and management" account, Committee approval is required only above \$1,000,000; and (2) for the "State and tribal assistance grants" account, reprogramming of performance partnership grant funds is exempt from this limitation.

SCIENCE AND TECHNOLOGY

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1999	\$660,000,000
Budget estimate, 2000	642,483,000
Committee recommendation	642,483,000

PROGRAM DESCRIPTION

EPA's "Science and technology" account provides funding for the scientific knowledge and tools necessary to support decisions on preventing, regulating, and abating environmental pollution and to advance the base of understanding on environmental sciences. These efforts are conducted through contracts, grants, and cooperative agreements with universities, industries, other private commercial firms, nonprofit organizations, State and local government, and Federal agencies, as well as through work performed at EPA's laboratories and various field stations and field offices. Trust Fund resources are transferred to this account directly from the Hazardous Substance Superfund.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$642,483,000 for science and technology, a decrease of \$17,517,000 below the enacted level. In addition, the Committee recommends the transfer of \$38,000,000 from the Superfund account, for a total of \$680,483,000 for science and technology.

The Committee has made the following changes to the budget request:

- + \$2,900,000 for drinking water research, to ensure the best available science needed for upcoming regulatory requirements under the Safe Drinking Water Act Amendments.
- + \$1,500,000 for the National Jewish Medical and Research Center for research on the relationship between indoor and outdoor pollution and the development of respiratory diseases.
- + \$1,800,000 for the National Environmental Respiratory Center at the Lovelace Respiratory Research Institute. The research should be coordinated with EPA's overall particulate matter research program and consistent with the recommendations set forth by the National Academy of Sciences report on PM research.

- + \$1,250,000 for the Center for Air Toxics Metals at the Energy and Environmental Research Center.
- + \$1,500,000 for the Mickey Leland National Urban Air Toxics Research Center.
- + \$250,000 for acid rain research at the University of Vermont.
- + \$2,500,000 for the Gulf Coast Hazardous Substance Research Center.
- + \$1,500,000 for the National Decentralized Water Resources Capacity Development Project.
- + \$2,500,000 for the Experimental Program to Stimulate Competitive Research.
- + \$750,000 for the Institute for Environmental and Industrial Science at Southwest Texas State University.
- + \$1,000,000 for the Integrated Public/Private Energy and Environmental Consortium [IPEC] to develop cost-effective environmental technology, improved business practices, and technology transfer for the domestic petroleum industry.
- + \$1,000,000 for the University of South Alabama, Center for Estuarine Research.
- + \$6,000,000 for the Mine Waste Technology Program and the Heavy Metal Water Program at the National Environmental Waste Technology, Testing, and Evaluation Center.
- + \$3,000,000 for the Water Environment Research Foundation.
- + \$350,000 for the Consortium for Agricultural Soils Mitigation of Greenhouse Gases.
- + \$250,000 to continue the work of the Environmental Technology Development and Commercialization Center at the Texas Regional Institute for Environmental Studies.
- + \$750,000 for the Geothermal Heat Pump (GHP) Consortium. GHP conserves energy, reduces harmful emissions into the atmosphere and decreases energy costs. Continued federal support is needed to ensure successful deployment of this new technology.
- \$900,000 from the EMPACT program.
- \$7,000,000 from the new RTP lab project.
- \$20,000,000 from the climate change technology initiative.
- \$900,000 from various lower priority facility repair and improvement projects.

The Committee supports no less than the administration's request of \$7,000,000 for the Superfund Innovative Technology Evaluation [SITE] program, no less than \$4,000,000 for the Clean Air Status and Trends Network [CASTNet], and the current funding level of \$1,000,000 for each of the Hazardous Substance Research Centers.

The Committee is concerned about the accuracy of information contained in the Integrated Risk Information System [IRIS] database which contains health effects information on more than 500 chemicals. The Committee directs the Science Advisory Board to examine a representative sample of IRIS health assessments completed before the IRIS Pilot Project, as well as a representative sample of assessments completed under the project, to assess the extent to which they incorporate all relevant data, including the most current data; employ current methodologies; and document the range of uncertainty and variability of the data. SAB is to re-

port to the Committee within 6 months of enactment of this Act on its findings.

The Committee notes EPA plans to expand asthma research and its children's health centers in fiscal year 2000. In implementing these efforts the Committee urges EPA to utilize through a competitive solicitation, accredited schools of public health which have expertise in such areas as epidemiology, toxicology and risk assessment.

Bill language is included, as requested by the administration, regarding the liquidation of obligations made in fiscal years 2000 and 2001.

The Committee has not included proposed bill language relative to the environmental services fund.

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

Appropriations, 1999	\$1,846,700,000
Budget estimate, 2000	2,046,993,000
Committee recommendation	1,885,000,000

PROGRAM DESCRIPTION

The Agency's "Environmental programs and management" account includes the development of environmental standards; monitoring and surveillance of pollution conditions; direct Federal pollution control planning; technical assistance to pollution control agencies and organizations; preparation of environmental impact statements; enforcement and compliance assurance; and assistance to Federal agencies in complying with environmental standards and insuring that their activities have minimal environmental impact. It provides personnel compensation, benefits, and travel expenses for all agency programs except hazardous substance Superfund, LUST, Science and Technology, Oil Spill Response, and OIG.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,885,000,000 for environmental programs and management, an increase of \$38,300,000 above the 1999 level and a decrease of \$161,993,000 below the budget request.

The Committee has made the following changes to the budget request:

- + \$2,000,000 to validate screens and tests required by the Food Quality Protection Act to identify hormone-disrupting chemicals, for a total of \$9,700,000.
- + \$1,500,000 for training grants under section 104(g) of the Clean Water Act.
- + \$8,500,000 for the National Rural Water Association.
- + \$2,300,000 for the Rural Community Assistance Program.
- + \$650,000 for the Groundwater Protection Council.
- + \$1,000,000 for the National Environmental Training Center at West Virginia University.
- + \$1,550,000 for the Small Flows Clearinghouse.
- + \$1,250,000 for the national onsite and community wastewater treatment demonstration project through the Small Flows Clearinghouse.

- + \$1,500,000 for local source water protection efforts in each state, utilizing the existing infrastructure for grassroots/well-head protection where appropriate.
- + \$4,000,000 under section 103 of the Clean Air Act for state participation in multi-state planning efforts on regional haze, including aiding in the development of emissions inventories, quantification of natural visibility conditions, monitoring and other data necessary to define reasonable progress and develop control strategies.
- + \$2,000,000 for the Southwest Center for Environmental Research and Policy.
- + \$500,000 for the Small Public Water System Technology Center at Western Kentucky University.
- + \$400,000 for Small Water Systems Technology Assistance Center at the University of Alaska-Sitka.
- + \$500,000 for the Small Public Water System Technology Center at the University of Missouri-Columbia.
- + \$500,000 for the Southeast Center for Technology Assistance for Small Drinking Water Systems at Mississippi State University.
- + \$500,000 to assist communities in Hawaii to meet successfully the water quality permitting requirements for rehabilitating native Hawaiian fishponds.
- + \$5,000,000 under section 104(b) of the Clean Water Act for America's Clean Water Foundation for implementation of onfarm environmental assessments for hog production operations, with the goal of improving surface and ground water quality.
- + \$500,000 for the Coordinated Tribal Water Quality Program through the Northwest Indian Fisheries Commission.
- + \$500,000 for the Ohio River Watershed Pollutant Reduction Program, to be cost-shared.
- + \$1,500,000 to continue the sediment decontamination technology demonstration in the New York-New Jersey Harbor.
- + \$1,500,000 for the National Alternative Fuels Vehicle Training Program.
- + \$2,500,000 for King County, WA, molten carbonate fuel cell demonstration project.
- + \$1,000,000 for the Frank Tejeda Center for Excellence in Environmental Operations to demonstrate new technology for water and wastewater treatment.
- + \$800,000 for the National Center for Vehicle Emissions Control and Safety for onboard diagnostic research.
- + \$750,000 for the Chesapeake Bay Small Watershed Grants Program.
- + \$1,250,000 for the Lake Champlain management plan.
- + \$400,000 for the Long Island Sound Program Office.
- + \$500,000 for the Environmentors project.
- + \$1,500,000 for the Food and Agricultural Policy Research Institute's Missouri watershed initiative project to link economic and environmental data with ambient water quality.
- + \$500,000 for the Small Business Pollution Prevention Center at the University of Northern Iowa.

- + \$750,000 for the painting and coating compliance enhancement project through the Iowa Waste Reduction Center.
- + \$2,000,000 for the Michigan Biotechnology Institute for development and demonstration of environmental cleanup technologies.
- + \$500,000 for the final year of funding for the Ala Wai Canal watershed improvement project.
- + \$200,000 for the Hawaii Department of Agriculture and the University of Hawaii College of Tropical Agriculture and Human Resources to continue developing agriculturally based remediation technologies.
- + \$1,000,000 for the Animal Waste Management Consortium through the University of Missouri, acting with Iowa State University, North Carolina State University, Michigan State University, Oklahoma State University, and Purdue University to supplement ongoing research, demonstration, and outreach projects associated with animal waste management.
- + \$1,500,000 for the University of Missouri Agroforestry Center to support the agroforestry floodplain initiative on nonpoint source pollution.
- + \$1,000,000 for the Columbia basin ground water management assessment.
- + \$1,500,000 for a cumulative impacts study of North Slope oil and gas development. The Committee expects the Administrator to contract for the full amount with the National Academy of Sciences through the National Research Council's Board on Environmental Studies and Toxicology to perform the study which shall be completed within 2 years of contract execution. The Council shall seek input from federal and state agencies, Native organizations, non-governmental entities, and other interested parties. Pending completion of the NRC study, the Committee directs that federal agencies shall not, under any circumstances, rely upon the pendency of the study to delay, suspend, or otherwise alter federal decision-making and NEPA compliance for any existing or proposed oil and gas exploration, development, production or delivery on the North Slope.
- + \$750,000 for an expansion of EPA's efforts related to the Government purchase and use of environmentally preferable products under Executive Order 13101. This includes up to \$200,000 for University of Missouri-Rolla to work with the Army to validate soysmoke as a replacement for petroleum fog oil in obscurant smoke used in battlefield exercises.
- + \$200,000 to complete the development of a technical guidance manual for use by permit reviewers and product specifiers (Government and private sector) to ensure appropriate uses of preserved wood in applications including housing, piers, docks, bridges, utility poles, and railroad ties.
- + \$500,000 for a watershed study for northern Kentucky, including the development and demonstration of a methodology for implementing a cost-effective program for addressing the problems associated with wet weather conditions on a watershed basis.
- + \$1,750,000 for the Kansas City Riverfront project to demonstrate innovative methods of removing contaminated debris.

- + \$250,000 for the Maryland Bureau of Mines to design and construct a Kempton Mine remediation project to reduce or eliminate the loss of quality water from surface streams into the Kempton Mine complex.
- + \$1,000,000 for the Alabama Department of Environmental Management water and wastewater training programs.
- + \$900,000 to continue the National Biosolids Partnership.
- + \$250,000 for the Vermont Department of Agriculture to work with the conservation districts along the Connecticut River in Vermont to reduce nonpoint source pollution.
- + \$75,000 for the groundwater protection/wellhead protection project, Nez Perce Indian Reservation in Idaho.
- + \$500,000 for the Water Systems Council to assist in the effective delivery of water to rural citizens nationwide.
- + \$500,000 to complete the Treasure Valley Hydrologic Project.
- + \$800,000 for the Wetland Development project in Logan, UT.
- + \$500,000 for Envision Utah sustainable development activities.
- + \$550,000 for the Idaho Water Initiative.
- + \$1,000,000 for the Northeast Environmental Enforcement Project, the Southern Environmental Enforcement Network, the Midwest Environmental Enforcement Association, and the Western States Project, which serve as a central point of contact for environmental enforcement training, networking, and information.
- + \$750,000 for the Resource and Agricultural Policy Systems Project.
- + \$200,000 for the Vermont Small Business Development Center to assist small businesses in complying with environmental regulations.
- + \$750,000 to continue the Urban Rivers Awareness Program at the Academy of Natural Sciences in Philadelphia for its environmental science program.
- + \$500,000 for the Kenai River Center for research on watershed issues and related activities.
- + \$300,000 for the restoration of the Beaver Springs Slough.
- + \$750,000 for the New Hampshire Estuaries Project management plan implementation.
- + \$200,000 for the Fairmount Park Commission to identify, design, implement, and evaluate environmental education exhibits.
- + \$100,000 to continue the Design for the Environment for Farmers Program to address the unique environmental concerns of the American Pacific area through the adoption of sustainable agricultural practices.
- \$94,000,000 from the climate change technology initiative [CCTI], including elimination of funds for the Transportation Partners program. GAO found that EPA provided no justification for the requested increase for CCTI.
- \$3,000,000 from the environmental monitoring for public access and community tracking [EMPACT] program. The amount provided is the same as the current level for this program.
- \$21,000,000 from the Montreal protocol fund. Over \$93,000,000 has been appropriated in EPA funding since fiscal year 1991.
- \$2,000,000 from environmental education.

- \$4,700,000 from sustainable development challenge grants.
- \$5,000,000 from international capacity building.
- \$5,200,000 from the new RTP lab project.
- \$35,000,000 from payroll costs.
- \$60,468,000 from contracts and grants.

The Committee directs that no reductions be taken below the President's request from pesticides registration or reregistration activities, the NPDES permit backlog, compliance assistance activities, RCRA corrective action, or data quality/information management activities related to the reorganization of the Office of Information Management.

The Committee supports the President's full request for the south Florida ecosystem restoration project, the National Estuary Program, the Chesapeake Bay Program Office, and the water quality monitoring program along the New Jersey-New York shoreline. The Committee supports no less than fiscal year 1999 funding levels for the Great Lakes National Program Office, and for the environmental finance centers.

The Committee directs that compliance assistance and centers activities within the Office of Enforcement and Compliance Assurance be funded at no less than \$25,000,000. Compliance assistance should be an essential element of EPA regulatory policy.

EPA Staffing.—The Committee is very concerned about the significant growth in EPA's workforce over the past decade, during a time when the states have taken on increasing responsibility for environmental programs. More than 70 percent of programs which can be delegated by EPA are now being run by the States. In the past decade, there has been a significant increase in the number of staff in state environmental agencies devoted to carrying out EPA mandates. Therefore, the Committee has put a prohibition on the growth of EPA staff for fiscal year 2000, and notes that the General Accounting Office has been asked to review and make recommendations on EPA staffing issues. Bill language has been included limiting personnel compensation and benefits funded under this account to \$900,000,000 for fiscal year 2000. Workyears to be funded by this account are not to exceed 11,250 FTEs. Priority areas identified above by the Committee are to receive FTE increases by shifting FTE from lower priority areas. No reductions-in-force will be precipitated by this cap.

Environmental Data Management.—The Committee notes that the Inspector General has once again listed environmental data information systems as a major area of concern at EPA, including concerns about the accuracy, timeliness and usefulness of EPA data. Given that one of EPA's ten goals includes "Expansion of Americans' Right to Know About Their Environment," and in view of the Government Performance and Results Act which requires that EPA rely on environmental data to assess its progress, it is imperative that EPA give top priority to addressing this management weakness. While EPA has taken the important first step of establishing a new information office to consolidate and provide uniformity in EPA's approach to information management, much remains to be done.

EPA, in the last several years, has disseminated large volumes of environmental data to the public, relying heavily on the develop-

ment of new information products for its Internet web site. While government agencies should be sharing important information with the public, agencies must exercise the new powers afforded by Internet disclosure of data in a fair and responsible manner. The Committee is concerned that EPA has not always provided adequate opportunities for public involvement in the development, maintenance and refinement of the many information products that have been placed in the public domain during the last several years. Accordingly, the Committee is establishing the following expectations for EPA's information management activities.

First, EPA shall establish an agenda of information products, published on a semi-annual basis, that would identify the information products EPA is preparing for the public, providing a brief description of each product, the schedule for its release and a contact person for further information. The agenda should encompass all products being prepared or funded by EPA, at the headquarters or regional level.

Second, EPA shall establish procedures to engage the public in the development, maintenance and modification of information products it offers to the public. These procedures should allow the public a timely opportunity to comment on all aspects of a new information product, including issues concerning data quality, analytical methodology, public presentation of data and the use of data for a purpose that differs from the original purpose for which it was collected. At a minimum, these procedures shall include the process EPA and the states will use to assure prompt correction of data errors in existing EPA Internet resources. These procedures shall also be consistent with EPA's obligations under the Paperwork Reduction Act.

Third, the Committee believes that the recent controversy under Section 112(r) of the Clean Air Act, over the availability of "offsite consequence analysis" information to potential terrorists underscores the need for a more systematic process to consider the security implications of information dissemination. EPA shall consult with the Department of Justice, the Federal Bureau of Investigation and other appropriate national security and law enforcement agencies to define the decisionmaking process and criteria the government will use to provide the proper balance between the disclosure of environmental information and protection of public security.

Fourth, the Committee is concerned about EPA's ability to protect confidential business information. The Agency has established a series of policies, grounded in various environmental statutes, that curtail the ability of data submitters to make confidentiality claims that would otherwise be allowable under the Freedom of Information Act. Accordingly, EPA shall report to Congress, by March 1, 2000, on the elements of its policies that prevent claims of confidentiality, including those claims that are based on the argument that multiple pieces of publicly available data can be used to reveal a "mosaic" picture of a trade secret. This report shall clarify where existing statutes explicitly mandate disclosure and where EPA has created policies or provided interpretations of statutes that require disclosure.

Fifth, the Committee is concerned, based on a report by the EPA Inspector General, that the Agency's computer security system is

inadequate. EPA shall provide a report to the Committee, with the concurrence of the EPA Inspector General, that EPA has taken adequate steps to install a full firewall system to protect EPA information systems against intrusion, to assure that all EPA program offices have the hardware, trained staff and management commitment to provide computer security, and to test the integrity of the computer security measures on a periodic basis.

Sixth, the Committee is concerned that the Administration is pursuing legal positions that would have the effect of insulating its information dissemination activities from all forms of judicial review. The Committee believes that the availability of judicial review is an important means to provide redress for those who might be harmed by government action and to provide the proper incentives for care in the use of information by government agencies. The Committee directs EPA to establish a cooperative agreement with an institution with strong credentials in administrative law to consult with a cross-section of legal experts and provide the Congress with recommendations on when judicial review should be allowed for government dissemination of information, by electronic or other means. This evaluation should consider the Constitution, the Administrative Procedure Act, the Federal Tort Claims Act, the Freedom of Information Act, the Paperwork Reduction Act and any other federal statute concerning information management or government liability.

With respect to the new Office of Information Management, the Committee expects the office will be fully operational prior to the beginning of fiscal year 2000, will be vested with adequate authority to ensure that all EPA offices follow the policies and procedures it sets forth, and will promptly follow through on meeting prior data quality/information management commitments such as those made for the Reinventing Environmental Information initiative.

Finally, the Committee notes that \$10,000,000 has been provided in the STAG account for a competitive grant program for seed money for states to enhance environmental data quality through integrated information systems.

Enforcement Statistics Project.—The Committee believes it is in the public interest to have access to accurate, credible, and consistent statistics about federal and state environmental enforcement actions. The current system is not meeting those standards. Therefore, the Committee directs EPA to provide \$300,000 to the Environmental Council of the States (ECOS) and \$200,000 to the National Academy of Public Administration (NAPA) for the following purposes. ECOS is to analyze state enforcement and compliance statistics; identify the sources of any inconsistencies among the states and EPA in data collection, reporting, or definitions; and gather and make available to Congress and the public a national summary of state enforcement and compliance activities. NAPA is to provide an independent evaluation of the state and federal enforcement data, including the national summary prepared by ECOS and comparable reports of EPA enforcement activities, and to recommend to Congress, EPA and the states such actions as would be needed to ensure public access to accurate, credible and consistent enforcement data. EPA is to award funds for this project within 60

days of enactment of this Act. The project is to be completed by April, 2001.

Grants Management.—The Committee is very concerned about EPA oversight of its grants and assistance agreements. The Committee notes that in 1996 EPA designated oversight of assistance agreements as a material management control weakness and it remains a material weakness at this time. Also, the Inspector General has for the past two years, included concerns about the grants program as one of the top ten management challenges facing EPA. The Committee expects EPA will make reforms in this area a high priority, and provide a report to the committee by March 31, 2000, on actions taken and those planned for the future so that it can be taken off the list of agency material weaknesses.

Government Performance and Results Act.—The Committee is concerned that EPA continues to measure its progress under the Results Act primarily through the use of “output” measures, rather than performance measures. Less than 15 percent of EPA’s measures are true environmental indicators and EPA continues to rely heavily on traditional output measures such as the number of permits it plans to issue. The Committee fully expects that the fiscal year 2001 budget will include a much larger percentage of environmental indicators as performance measures.

Reinvention.—The Committee remains concerned that the Agency’s efforts to develop more flexible, effective approaches to address environmental problems are having little impact on the agency’s core programs. In particular, the Committee is concerned about the hesitant steps that the agency has taken to providing such flexibility to states through performance partnerships. A recent GAO report raised concerns about the effectiveness of EPA’s implementation of the National Performance Environmental Partnership system, and made recommendations to improve NEPPS. Also, the Committee looks forward to the publication in May 2000 of the report of the National Academy of Public Administration, which will assess efforts at the agency and in states to improve core programs and will recommend how the agency can build an effective capacity to test and learn from innovations.

Kyoto Protocol.—Bill language has been included, as in the current year, prohibiting EPA from spending funds to implement the Kyoto Protocol. The Committee notes that this restriction on the use of funds shall not apply to the conduct of education activities and seminars by the agency.

The conferees note that some EPA programs involve research or other activities that are associated with climate change. To the extent that the Committee has funded this work, it has done so based on the program’s individual merits of contributing to issues associated with energy efficiency and cost savings, related environmental assessments, and general energy emission improvements. The bill language is intended to prohibit funds provided in this bill from being used to implement actions solely under the Kyoto Protocol, prior to its ratification.

The Byrd-Hagel resolution which passed in 1997 remains the clearest statement of the will of the Senate with respect to the Kyoto Protocol, and the Committee is committed to ensuring that the administration not implement the Kyoto Protocol without Con-

gressional consent. The Committee recognizes, however, that there are also longstanding programs which have goals and objectives that, if met, could have positive effects on energy use and the environment. The Committee does not intend to preclude these programs from proceeding, provided they have been funded and approved by Congress.

To the extent future funding requests may be submitted which would increase funding for climate change activities prior to Senate consideration of the Kyoto Protocol (whether under the auspices of the Climate Change Technology Initiative or any other initiative), the Administration must do a better job of explaining the components of the programs, their anticipated goals and objectives, the justification for any funding increases, a discussion of how successes will be measured, and a clear definition of how these programs are justified by goals and objectives independent of implementation of the Kyoto Protocol. The conferees expect these items to be included as part of the fiscal year 2000 budget submission for all affected agencies.

Last year, the Committee directed the Administration to include these items in the fiscal year 2000 budget submission. The Committee is concerned that several agencies are tardy in doing so. The Committee expects the EPA's report to be consistent with the observations of the July 14, 1999, General Accounting Office (GAO) Report to the Senate (B-283052). Three agencies did not submit reports until April 9 or later, and one submitted its report one day before this hearing. According to the GAO, both the timing and the content of these submissions made it more difficult for Congress to assess Administration proposals.

With regard to these submissions, the Committee expects all affected agencies to comply fully with the letter and spirit of the Government Performance and Results Act of 1993 (GPRA). The GAO is directed to prepare a report that evaluates the Agency's completed plan and submit its report to the Appropriations Committee 90 days after receipt of the Agency's plan.

Unified National Strategy for Animal Feeding Operations Cost and Capability Assessment.—The Committee directs EPA to conduct with the U.S. Department of Agriculture (USDA) a cost and capability assessment of the Unified National Strategy for Animal Feeding Operations and report the results to the Congress by May 15, 2000. The assessment will be conducted as a pilot project in affected states and shall determine the costs, both public and private, to plan, implement, monitor and enforce the Unified National Strategy for Animal Feeding Operations, with a focus on Comprehensive Nutrient Management Plans (CNMP). EPA and USDA shall work with local committees including conservation districts, state agencies, producers and public interest groups, which will provide the local oversight and guidance to making the cost and capability determinations. The results of this pilot project shall be summarized by the committees and included in the final report which the EPA and USDA will prepare and submit to the Congress.

Reuse of industrial packages.—While EPA has a number of programs designed to promote pollution prevention and recycling in industrial processes, few resources have been directed at the reuse of

materials. One example is the reuse of industrial packages which include packages used for the transportation or storage of commodities, the contents of which are not meant for retail sale without being repackaged. The Committee urges EPA to investigate and promote opportunities for the reuse of industrial packages in their original intended form through reconditioning and remanufacture by working with private sector organizations whose primary purposes include education and research in the field of reusable industrial packages. EPA should also consider developing a pilot project on the reuse of industrial packages as an environmentally preferable product.

HPV Challenge Program.—The Committee is concerned about EPA's implementation of the High Production Volume (HPV) Chemical Challenge Program. To ensure EPA will be able to manage effectively the large influx of data which will be generated by this program, EPA should consider upgrading its software to a more internationally useable system such as the International Uniform Chemical Information Database (IUCLID). The Committee understands that IUCLID would allow the input of data in one format for all venues.

Lead-based paint pre-renovation education rule.—The Committee is concerned that EPA's lead-based paint pre-renovation education rule, specifically as it relates to multi-family housing, may create confusion for property owners and tenants and may not be the most effective way to achieve the child health protections intended under section 1018 of Title X of the Residential Lead-Based Paint Hazard Reduction Act. The Committee believes EPA should meet with multi-family property owners to consider the practical effects of the regulations and to discuss how burdens can be minimized in conformance with the statutory direction of child health protection. EPA should consider amending the final rule to facilitate implementation of the rule. EPA is to report to the Committee by June 1, 2000 on the efforts it has taken to streamline the paperwork burden for small businesses.

Tier II/Low Sulfur Rule.—The Committee is concerned that as part of the proposed Tier II/low sulfur rule, the Agency may have failed to conduct sufficient analyses of the potential negative health impacts and the potential costs of imposing new controls on vehicles and fuels to reduce NO_x emissions, including the effect of reducing NO_x emissions in areas of the country that are VOC-limited, such that ozone levels respond more to reductions in VOCs than to NO_x reductions. The Committee directs EPA to undertake an analysis of the potential disbenefits of reductions in NO_x emissions, using the latest modeling technology, and to report to the Committee as soon as possible but no later than March 1, 2000 on the areas of the country and the number of people in those areas where ozone levels may increase as a result of implementing the Tier II/low sulfur rule. In addition, the Committee is also concerned that the Agency has failed to evaluate the full impact of the low-sulfur rule on the refining industry in light of the health of the industry and other regulatory requirements affecting the industry. Therefore, the Committee requests the EPA, working with the Department of Energy, conduct a full analysis of the potential impact of the many regulatory requirements facing the industry in light of

current and anticipated market conditions and trends, and to report to the Committee no later than August 1, 2000. Given the complexity of the Tier II/low sulfur rule and the need for full public scrutiny of the many issues involved, the Committee also requests that the Administrator report to the Committee within 30 days on whether all of the underlying data relating to potential costs and health benefits as well as disbenefits, have been released to the public for review and comment.

Other issues.—The 2002 Winter Olympics may provide a unique opportunity to showcase sustainable building technologies including renewable and energy efficient building materials and energy efficient design technologies. EPA is encouraged to work with the Salt Lake Organizing Committee for the Olympic Winter Games to develop a program in which sustainable building technologies may be incorporated into appropriate Olympic facilities, with particular emphasis on the Oquirrh Park Service District.

The Committee strongly encourages EPA to continue the Big Bend Regional Aerosol and Visibility Observational Study.

The Committee believes EPA should develop a comprehensive plan to guide its efforts to establish an air toxics monitoring program, including how the data generated from the program will be used to guide decisionmaking.

The Committee urges EPA to accelerate completion of the lead safety sampling technician course to meet the urgent need for individuals trained to perform visual inspections and sample dust, soil, and paint chips in high risk housing and as needed for clearance after repainting and remodeling.

The Committee believes EPA should increase its support to \$60,000 for the Tri-State Implementation Council, which is implementing the Clark Fork-Pend Oreille Watershed Management Plan.

The Committee understands that advancements in fuel catalysts could prolong the effectiveness of catalytic converters and achieve reductions in airborne emissions of hydrocarbons, particulate matter, sulfur dioxide and nitrogen oxide. Such reductions could significantly improve air quality and aid in attaining air quality standards. The Committee encourages EPA to identify and test these catalysts in non-attainment areas.

The Committee urges EPA to consider favorably a proposal from the Michigan Manufacturing Technology Center to establish a Center for Sustainable Manufacturing that would assist small and medium-sized manufacturers in improving their economic performance while reducing toxic emissions and hazardous wastes.

The Committee urges EPA to continue its support to the Northeast Waste Management Officials' Association to address multimedia and multi-jurisdictional issues in waste management, site cleanup and pollution prevention.

The Committee urges EPA to continue an ongoing project by the Alliance to End Childhood Lead Poisoning to phase-out leaded gasoline internationally. Approximately \$500,000 is needed to complete this important project.

The Committee supports and acknowledges the need and public benefit of integrating regulatory and technical assistance programs between federal agencies. The Committee recognizes the Earth

Sciences and Resources Institute at the University of South Carolina is developing a geographic information decision support system to facilitate the cost-effective planning, management and regulation of animal feeding operations and associated comprehensive nutrient management plans. The decision support system can serve as a framework for federal efforts to link important water quality and agricultural conservation issues.

The Committee recognizes the unique program developed by the University of Kentucky Transportation Center and the Calspan University of Buffalo Research Center to develop on-board, real-time computing capability to monitor the emissions of commercial vehicles. The Committee encourages EPA to find the necessary resources to fund a pilot program.

Bill language has been included, as requested by the administration, clarifying EPA's grant making authorities under section 20 of FIFRA.

Bill language is included, as requested by the administration, regarding liquidating obligations made in fiscal years 2000 and 2001.

The Committee has not included proposed bill language relative to the environmental services fund.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1999	\$31,154,000
Budget estimate, 2000	29,409,000
Committee recommendation	32,409,000

PROGRAM DESCRIPTION

The Office of Inspector General provides EPA audit and investigative functions to identify and recommend corrective actions of management, program, and administrative deficiencies which create conditions for existing or potential instances of fraud, waste, and mismanagement.

Trust fund resources are transferred to this account directly from the hazardous substance Superfund.

COMMITTEE RECOMMENDATION

The Committee recommends \$32,409,000 for the Office of Inspector General, an increase of \$3,000,000 above the budget request. In addition, the budget request of \$10,753,000 will be available by transfer from the Superfund account, for a total of \$43,162,000. The trust fund resources will be transferred to the inspector general "General fund" account with an expenditure transfer.

The Committee has added \$3,000,000 for the Office of Inspector General to address major problems at EPA and to form a new program evaluation unit to analyze environmental outcomes more effectively. Funds are included for additional audits of grants and assistance agreements, which represent a major portion of EPA's budget and which EPA has identified as a material management control weakness. The IG will assess whether a systemic problem exists within EPA's grants management and oversight responsibilities, including whether EPA is using the grants process in lieu of the more appropriate contracting process for certain procurements,

whether there is adequate competition in awarding grants, whether quantifiable deliverables are being obtained, and whether adequate oversight is being conducted by EPA.

In addition, the IG is expected to continue audits of computer security, which also has been identified as a material weakness, and related activities to protect computer systems.

BUILDINGS AND FACILITIES

Appropriations, 1999	\$56,948,000
Budget estimate, 2000	62,630,000
Committee recommendation	25,930,000

PROGRAM DESCRIPTION

The appropriation for buildings and facilities at EPA covers the necessary major repairs and improvements to existing installations which are used by the Agency. This appropriation also covers new construction projects when appropriate.

COMMITTEE RECOMMENDATION

The Committee recommends \$25,930,000 for buildings and facilities. The Committee recommendation does not include, without prejudice, the administration request of \$36,700,000 for the Research Triangle Park laboratory construction project owing to budget constraints.

HAZARDOUS SUBSTANCE SUPERFUND

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1999	\$1,500,000,000
Budget estimate, 2000	1,500,000,000
Committee recommendation	1,400,000,000

PROGRAM DESCRIPTION

On October 17, 1986, Congress amended the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 [CERCLA] through the Superfund Amendments and Reauthorization Act of 1986 [SARA]. SARA reauthorized and expanded the hazardous substance Superfund to address the problems of uncontrolled hazardous waste sites and spills. Specifically, the legislation mandates that EPA: (1) provide emergency response to hazardous waste spills; (2) take emergency action at hazardous waste sites that pose an imminent hazard to public health or environmentally sensitive ecosystems; (3) engage in long-term planning, remedial design, and construction to clean up hazardous waste sites where no financially viable responsible party can be found; (4) take enforcement actions to require responsible private and Federal parties to clean up hazardous waste sites; and (5) take enforcement actions to recover costs where the fund has been used for cleanup.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,400,000,000 for Superfund, a decrease of \$100,000,000 below the budget request and fiscal year

1999 enacted level. The amount provided includes \$700,000,000 from general revenues, and the balance from the trust fund.

The amount recommended includes the following:

\$913,647,000 for the response program. This includes the President's full request for brownfields.

\$145,000,000 for enforcement.

\$38,000,000 for research and development.

\$125,000,000 for management and support.

\$70,000,000 for the Agency for Toxic Substances and Disease Registry, including up to \$2,500,000 for the Great Lakes fish consumption study and up to \$2,000,000 for ATSDR to complete the exposure assessment, community and health provider outreach, exposure dose reconstruction, other measures necessary to complete the Dover Township, New Jersey Case Control Study, and the multistate Childhood Brain Cancer Case Control Study. The Committee directs that the reduction from the fiscal year 1999 enacted level for ATSDR be taken from health assessments, consistent with GAO's March 1999 report which recommended against conducting detailed health assessments at each site proposed for the NPL. Bill language has been included to relieve ATSDR from the requirement that full health assessments be conducted at all sites proposed for the NPL within one year, and to enable ATSDR to conduct other appropriate health studies, evaluations, or activities, in lieu of health assessments.

\$58,000,000 for the National Institute of Environmental Health Sciences, including \$23,000,000 for worker training grants and \$35,000,000 for research.

\$39,600,000 for other Federal agencies.

\$10,753,000 for the inspector general.

The Committee continues to be concerned with EPA's management of the Superfund program, which has been listed by the General Accounting Office as a high risk program subject to fraud, waste and abuse for a decade. Recently GAO reported that EPA may be retaining more contract capacity than it needs to conduct its Superfund cleanup work, leading to excessive program support costs. GAO also has raised concerns about EPA's inconsistent use of independent cost estimates to control contractor costs, as well as EPA's cost-recovery practices.

In addition, all of Superfund's performance measures required by the Results Act are process-oriented; there are no measures that directly address reduction of risk to human health and the environment. The Committee expects that in the fiscal year 2001 budget, EPA will include environmental indicators as in the RCRA corrective action program.

Given these concerns, along with the need for reauthorization, the constraints imposed by the budget allocation, and the need to prioritize spending according to risk, the Committee has reduced Superfund spending by \$100,000,000 below the budget request. The Committee directs that funds for sites where remedies are yet to be selected be primarily allocated on the basis of risk, ensuring that those sites posing the most significant risk to human health and the environment will be addressed first.

In view of the fact that almost half of the NPL sites are now on the construction completion list, it is expected that the Superfund program will be ramping down within the next five to ten years. Given the need to have solid and independently verified estimates of the cost to implement and phase down this program, the Committee directs that within 45 days of enactment of this Act, EPA award a cooperative agreement for an independent analysis of the projected costs over the 10-year period of fiscal years 2000–2010 for implementation of the Superfund program under current law, including the annual and cumulative costs associated with administering CERCLA activities at National Priority List (NPL) sites. It shall identify sources of uncertainty in the estimates. The analysis shall model (1) costs for completion of all sites currently listed on the NPL, (2) costs associated with additions to the NPL anticipated for fiscal year 2000 through fiscal year 2009, (3) costs associated with Federal expenditures for the operations and maintenance at both existing and new NPL sites, (4) costs for emergency removals, (5) non-site-specific costs assigned to other activities such as research, administration, and interagency transfers, and (6) costs associated with 5-year reviews at existing and new NPL sites and associated activities. For purposes of this analysis, costs associated with assessment, response and development of brownfields, and Federal facility sites are not to be included. The analysis shall be conducted by Resources For the Future. The results of the analysis are to be transmitted in a report to Congress by December 31, 2000.

The Committee notes that King County and the City of Seattle are working together to encourage reuse of contaminated industrial land by facilitating cleanup and redevelopment. Also, the Port of Ridgefield, WA, is working to clean up contamination at that site including the removal of an underground plume. The Committee encourages EPA to give favorable consideration to grant applications under the Brownfields program for these projects.

The Committee is aware there is significant interest in resolving and settling the Natural Resource Damage suit in the Silver Valley of Idaho. The Committee is concerned the federal agencies involved in the suit appear to be more interested in protracted litigation than in a timely and equitable resolution of the NRD claims in the Coeur d'Alene Basin. It is the Committee's expectation that EPA will work to assure there is such a resolution within this fiscal year.

The Committee directs that Superfund FTE's not exceed 3,300 in fiscal year 2000.

The Committee has included bill language delaying the availability of \$100,000,000 until September 1, 2000.

LEAKING UNDERGROUND STORAGE TANK TRUST FUND

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1999	\$72,500,000
Budget estimate, 2000	71,556,000
Committee recommendation	71,556,000

PROGRAM DESCRIPTION

The Superfund Amendments and Reauthorizations Act of 1986 [SARA] established the leaking underground storage tank [LUST] trust fund to conduct corrective actions for releases from leaking underground storage tanks containing petroleum and other hazardous substances. EPA implements the LUST program through State cooperative agreement grants which enable States to conduct corrective actions to protect human health and the environment, and through non-State entities including Indian tribes under section 8001 of RCRA. The trust fund is also used to enforce responsible parties to finance corrective actions and to recover expended funds used to clean up abandoned tanks.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$71,556,000 for the Leaking Underground Storage Tank Program, a decrease of \$944,000 below the fiscal year 1999 enacted level. The Committee directs that not less than 85 percent of these funds be provided to the States and tribal governments.

In light of widespread contamination of drinking water by the gasoline additive MTBE from leaking underground petroleum storage tanks, the Committee urges EPA in undertaking corrective actions and enforcement to give high priority to releases that pose the greatest threat to human health and the environment.

OILSPILL RESPONSE

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1999	\$15,000,000
Budget estimate, 2000	15,618,000
Committee recommendation	15,000,000

PROGRAM DESCRIPTION

This appropriation, authorized by the Federal Water Pollution Control Act of 1987 and amended by the Oil Pollution Act of 1990, provides funds for preventing and responding to releases of oil and other petroleum products in navigable waterways. EPA is responsible for: directing all cleanup and removal activities posing a threat to public health and the environment; conducting inspections, including compelling responsible parties to undertake cleanup actions; reviewing containment plans at facilities; reviewing area contingency plans; pursuing cost recovery of fund-financed cleanups; and conducting research of oil cleanup techniques. Funds are provided through the oilspill liability trust fund established by the Oil Pollution Act and managed by the Coast Guard.

COMMITTEE RECOMMENDATION

The Committee recommends \$15,000,000 for the oilspill response trust fund, the same as the fiscal year 1999 enacted level and a decrease of \$618,000 below the budget request.

STATE AND TRIBAL ASSISTANCE GRANTS

Appropriations, 1999	\$3,408,050,000
Budget estimate, 2000	2,837,957,000
Committee recommendation	3,250,000,000

PROGRAM DESCRIPTION

The "State and tribal assistance grants" account funds grants to support the State revolving fund programs; State, tribal, regional, and local environmental programs; and special projects to address critical water and waste water treatment needs.

This account funds the following infrastructure grant programs: State revolving funds; United States-Mexico Border Program; colonias projects; and Alaska Native villages.

It also contains the following environmental grants, State/tribal program grants, and assistance and capacity building grants: (1) Nonpoint source (sec. 319 of the Federal Water Pollution Control Act); (2) water quality cooperative agreements (sec. 104(b)(3) of FWPCA); (3) public water system supervision; (4) air resource assistance to State, local, and tribal governments (secs. 105 and 103 of the Clean Air Act); (5) radon State grants; (6) water pollution control agency resource supplementation (sec. 106 of the FWPCA); (7) wetlands State program development; (8) underground injection control; (9) Pesticides Program implementation; (10) lead grants; (11) hazardous waste financial assistance; (12) pesticides enforcement grants; (13) pollution prevention; (14) toxic substances enforcement grants; (15) Indians general assistance grants; and, (16) underground storage tanks. The funds provided in this account, exclusive of the funds for the SRF and the special water and waste water treatment projects, may be used by the Agency to enter into performance partnerships with States and tribes rather than media-specific categorical program grants, if requested by the States and tribes. The performance partnership/categorical grants are exempt from the congressional reprogramming limitation.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,250,000,000 for State and tribal assistance grants, an increase of \$412,043,000 over the budget request and a decrease of \$158,050,000 below the fiscal year 1999 enacted level.

The Committee's recommendation includes the following:

\$885,000,000, the budget request, for performance partnership/categorical grants and associated program support. Clean Lakes program activities are to be funded through the sec. 319 nonpoint source grant program. The Committee suggests that 5 percent of the section 319 funds be allocated to clean lakes, and that EPA better integrate the Clean Lakes and section 319 programs by incorporating the section 314 guidance into the 319 guidance.

\$10,000,000 for competitive grants to States and federally-recognized Indian Tribes to develop and implement integrated information systems to improve environmental decisionmaking, reduce the burden on regulated entities and improve the reliability of information available to the public. Such systems

should provide the capability to implement standard environmental management functions such as permitting, compliance and enforcement. The agency should develop an integrated information system for federal use that is compatible with the integrated State systems. EPA will address any of its own internal funding needs associated with this effort through a redirection of funding during the fiscal year 2000 operating plan process.

\$825,000,000 for drinking water State revolving funds, an increase of \$50,000,000 over fiscal year 1999 and the same as the budget request.

\$1,350,000,000 for clean water State revolving funds, an increase of \$550,000,000 above the budget request.

\$50,000,000 for water and wastewater projects on the United States-Mexico border. The Committee directs that of the funds provided for U.S./Mexico border projects, \$3,000,000 shall be for the El Paso-Las Cruces Sustainable Water Project and \$2,000,000 shall be for the Brownsville water supply project.

\$30,000,000 for rural and Alaskan Native villages to address the special water and wastewater treatment needs of thousands of households that lack basic sanitation, including \$2,000,000 for training and technical assistance. The State of Alaska will provide a match of 25 percent.

\$100,000,000 for special needs infrastructure grants, as follows:

\$2,700,000 for the Pownal, VT wastewater treatment project.

\$2,000,000 for the Fall River/New Bedford, MA combined sewer overflow and wastewater treatment system.

\$3,000,000 for the central metropolitan interceptor improvement project in Milwaukee, WI.

\$4,000,000 for the Lockwood, MT, water and sewer district for implementation of its wastewater collection, treatment and disposal plan.

\$2,000,000 for the Ogden, UT, water, sewer and stormwater improvements.

\$2,800,000 to complete the Hogg Creek Interceptor Project to improve wastewater disposal in Jackson, MS.

\$5,000,000 for the upgrade of sewage treatment facilities in Cambridge and Salisbury, MD.

\$3,000,000 for the Mitchell, SD, water system.

\$1,300,000 for the Cabot, VT, wastewater treatment project.

\$1,500,000 for the Big Timber, MT wastewater treatment facility.

\$1,800,000 for the City of Blackfoot, ID, for wastewater treatment plant improvements.

\$5,000,000 for the City of Welch, WV, for water/sewer improvements.

\$2,300,000 for the Shulerville—Honey Hill, SC, water extension project.

\$1,000,000 for the Big Haynes Creek, GA, stormwater basin retention and reuse project.

\$2,000,000 for the Sacramento, CA, sewer overflow upgrade.

\$1,500,000 for the Southeastern Oakland County, MI, sewer overflow modification project.

\$1,500,000 for the City of Montrose, CO, wastewater treatment plant upgrade.

\$500,000 for Dell Rapids, SD, wastewater treatment facility upgrade.

\$5,500,000 for the State of Missouri Department of Natural Resources for phosphorous removal efforts in southwestern Missouri communities under 50,000, including but not limited to Nixa, Ozark, Kimberling City, Reeds Spring, and Galena wastewater treatment facilities discharging into the Table Rock Lake watershed.

\$3,300,000 for the Missouri Division of State Parks water and sewer improvements needs including the state parks of Meramec, Roaring River, Lake of the Ozarks, Knob Noster, Cuivre River, Mark Twain, and Trail of Tears.

\$500,000 for the Clovis, NM emergency repair of a wastewater effluent holding pond and renovation of its wastewater treatment plant.

\$3,000,000 for a grant to the Arizona Water Infrastructure Financing Authority for making a loan to the city of Safford, AZ to address the city's wastewater needs, which will be repaid by the city to the Arizona Clean Water Revolving fund established under title VI of the Federal Water Pollution Control Act, as amended.

\$1,000,000 for Vinalhaven, ME, municipal sewer system.

\$600,000 for the cities of Jerome and Dietrich, ID, to upgrade local water facilities.

\$2,000,000 for the Berlin, NH, water infrastructure improvements.

\$3,000,000 for North Jessamine County, KY, wastewater system improvements.

\$2,300,000 for the Moapa Valley Water District, NV, wastewater treatment expansion.

\$3,750,000 for water/sewer improvements for the City of Valdez, AK.

\$3,600,000 to address water and wastewater deficiencies in the North and South Valley areas of the city of Albuquerque and Bernalillo County, NM (\$3,100,000) and Espanola, NM (\$500,000).

\$3,750,000 for water/sewer improvements in the Chugiak area of Anchorage, AK.

\$3,000,000 for the Grand Forks, ND, water treatment plant.

\$3,000,000 for a surface water treatment plant in Franklin County, AL.

\$500,000 for Lafayette, AL, water system project.

\$1,000,000 for combined sewer overflow projects in Lynchburg and Richmond, VA.

\$2,000,000 for the Three Rivers Wet Weather Demonstration Project, PA.

\$2,500,000 for the Metaline Falls water system improvements in Pend Oreille County, WA.

\$500,000 for the Springettsbury, Township, PA, regional sewer project.

\$600,000 for the city of Bremerton, WA, combined sewer overflow project.

\$500,000 for the city of Sitka, AK, water/sewer improvements.

\$1,500,000 for the North Hudson, NJ, Sewerage Authority combined sewer overflow initiative.

\$1,500,000 for the Passaic Valley, NJ, Sewerage Combined Sewer Overflow initiative.

\$5,200,000 for the Jackson, MS, water and wastewater system rehabilitation.

\$1,500,000 for the County of Kauai, HI, for the Lihue wastewater treatment plant.

\$1,500,000 for the Doan Brook watershed project in Cleveland, OH, to alleviate sanitary sewer contamination.

EPA is to work with the grant recipients on appropriate cost-share arrangements consistent with past practice.

The Committee notes that EPA is in the process of revising upward its estimate of clean water infrastructure financing. It is expected that EPA's updated estimate of the 20 year-requirement will be approximately \$200,000,000,000—compared to EPA's 1996 needs survey estimate of roughly \$140,000,000,000—excluding replacement costs and operations and maintenance. There currently is an annual gap of almost \$6,000,000,000 between capital needs and total federal, state and local expenditures on wastewater infrastructure, including replacement costs. Given these needs, the Committee is perplexed with EPA's decision to cut funding dramatically for the clean water state revolving fund program. This program has proven to be an effective state-federal partnership, with significant leveraging of federal funds and strong state cost-sharing. The Committee believes the SRF program will continue to play a critical role in meeting water infrastructure financing requirements, and expects EPA to request an appropriate level of funding for this critical program in its fiscal year 2001 budget request. The Committee urges EPA to initiate a dialog to determine how much additional SRF funding is needed to address the long term water quality needs of the nation.

The Committee has not included bill language requested by the administration authorizing a set-aside of up to 20 percent of state revolving funds for nonpoint source grants. The Committee notes it has recommended \$200,000,000 in section 319 grants for nonpoint source controls. In view of the need for wastewater infrastructure financing, the Committee cannot support the administration's proposal.

The Committee has provided no funds for the administration's proposal for a new \$200,000,000 clean air partnership grant program. This program is not specifically authorized and cannot be supported in view of the many higher priority agency activities. Further, according to GAO, EPA did not perform any analysis to justify establishing this program or its cost.

The Committee is concerned with the length of time it has taken EPA to close out the construction grants for Gary and Indianapolis, IN, which were awarded under the Clean Water Act during the 1970's with work completed during the 1980's. The Committee expects EPA to settle all outstanding audit disputes with these cities by November 1, 1999, giving due deference to decision documents from EPA or the relevant delegated agency which indicate that a

“hard look” or other review was conducted in determining whether costs are eligible or allowable.

The Committee has included bill language, which has been carried for several years, clarifying that drinking water health effects research is to be funded out of the science and technology account only.

Bill language has been included, as in fiscal year 1999, which allows states in fiscal year 2000 and hereafter to include as principal, amounts considered to be the cost of administering SRF loans to eligible borrowers.

Bill language is included, as the administration requested, regarding section 319 grants to Indian tribes.

Finally, bill language is included making technical corrections to fiscal year 1999 appropriation language related to water infrastructure grants for Alaska and Utah.

ADMINISTRATIVE PROVISION

The Committee has included bill language which prohibits the EPA Administrator from awarding any funds to a non-profit organization unless such organization has certified that it has not used federal funds to engage in litigation against the United States.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

Appropriations, 1999	\$5,026,000
Budget estimate, 2000	5,201,000
Committee recommendation	5,201,000

PROGRAM DESCRIPTION

The Office of Science and Technology Policy [OSTP] was created by the National Science and Technology Policy, Organization, and Priorities Act of 1976 (Public Law 94-238) and coordinates science and technology policy for the White House. OSTP provides authoritative scientific and technological information, analysis, and advice for the President, for the executive branch, and for Congress; participates in formulation, coordination, and implementation of national and international policies and programs that involve science and technology; maintains and promotes the health and vitality of the U.S. science and technology infrastructure; and coordinates research and development efforts of the Federal Government to maximize the return on the public's investment in science and technology and to ensure Federal resources are used efficiently and appropriately.

OSTP provides support for the National Science and Technology Council [NSTC].

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$5,201,000 for the Office of Science and Technology Policy. This amount is the same as the budget request and \$175,000 above the fiscal year 1999 enacted level.

The Committee is concerned about recent actions taken by the European Union with respect to the safety of agricultural commod-

ities produced in part through the use of biotechnology. The Committee believes that there is a clear need to provide impartial scientific analysis of the use of these new technologies and methods to maintain public confidence in the nation's food supply. Therefore, the Committee directs OSTP to organize a special working group with participation from other federal agencies such as the National Science Foundation, Department of Agriculture, Food and Drug Administration, and Environmental Protection Agency to study and provide recommendations to the Committee on how to address this issue. This report should be submitted to the Committee by June 15, 2000.

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF
ENVIRONMENTAL QUALITY

Appropriations, 1999	\$2,675,000
Budget estimate, 2000	3,020,000
Committee recommendation	2,675,000

PROGRAM DESCRIPTION

The Council on Environmental Quality/Office of Environmental Quality was established by the National Environmental Policy Act and the Environmental Quality Improvement Act of 1970. The Council serves as a source of environmental expertise and policy analysis for the White House, Executive Office of the President agencies, and other Federal agencies. CEQ promulgates regulations binding on all Federal agencies to implement the procedural provisions of the National Environmental Policy Act and resolves inter-agency environmental disputes informally and through issuance of findings and recommendations.

COMMITTEE RECOMMENDATION

The Committee has provided \$2,675,000 for the Council on Environmental Quality, the same as the fiscal year 1999 enacted level.

Bill language relative to the use of detailees has been continued again this year.

FEDERAL DEPOSIT INSURANCE CORPORATION

OFFICE OF INSPECTOR GENERAL

(TRANSFER OF FUNDS)

Appropriations, 1999	\$34,666,000
Budget estimate, 2000	33,666,000
Committee recommendation	34,666,000

PROGRAM DESCRIPTION

Prior to 1998, the FDIC inspector general's budgets have been approved by the FDIC's Board of Directors from deposit insurance funds as part of FDIC's annual operating budget that is proposed by the FDIC Chairman. A separate appropriation more effectively ensures the independence of the OIG.

COMMITTEE RECOMMENDATION

The Committee recommends \$34,666,000 for the FDIC inspector general, which are to be derived by transfer from the bank insurance fund, the savings association insurance fund, and the FSLIC resolution fund.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Appropriations, 1999	\$2,640,254,000
Budget estimate, 2000	921,300,000
Committee recommendation	854,580,000

GENERAL DESCRIPTION

FEMA is responsible for coordinating Federal efforts to reduce the loss of life and property through a comprehensive risk-based, all hazards emergency management program of mitigation, preparedness, response, and recovery.

COMMITTEE RECOMMENDATION

The Committee recommends \$854,580,000 for the Federal Emergency Management Agency. The amount provided includes \$300,000,000 in disaster relief expenditures and \$554,580,000 for other programs. Despite severe budget constraints, the Committee has accommodated some increases for priority initiatives such as counter-terrorism, fire program enhancements, and emergency food and shelter.

DISASTER RELIEF

Appropriations, 1999	¹ \$2,113,745,000
Budget estimate, 2000	² 300,000,000
Committee recommendation	300,000,000

¹Includes \$1,806,000,000 in supplemental appropriations.

²The administration requested an additional \$2,480,425,000 in contingency funds, for a total of \$2,780,425,000.

PROGRAM DESCRIPTION

Through the Disaster Relief Fund (DRF), FEMA provides a significant portion of the total Federal response to victims in Presidentially declared major disasters and emergencies. Major disasters are declared when a State requests Federal assistance and has proven that a given disaster is beyond the State's capacity to respond. Under the DRF, FEMA provides three main types of assistance: individual and family assistance; public assistance, which includes the repair and reconstruction of State, local and non-profit infrastructure; and hazard mitigation.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$300,000,000 for FEMA disaster relief, a decrease of \$7,000,000 below the fiscal year 1999 enacted level, excluding contingency funds. The Committee has not included the administration's request of \$2,480,425,000 for disaster relief contingency funds.

The Committee continues to be concerned about expenditures in the disaster relief program. While the Committee supports FEMA's efforts to close out old disasters—some dating back to 1989—FEMA is incurring obligations to the disaster relief fund at a much faster rate than in previous years. As a result, the fund faced a potential shortfall earlier this year, resulting in the need for an unanticipated supplemental appropriation to replenish it. The Committee is concerned about whether FEMA, in expediting the close-out of old disasters, is ensuring that the Congress has accurate and timely information concerning the status of fund balances and whether FEMA is ensuring that closeouts are occurring in such a way that project eligibility requirements are being met consistently. The Committee requests that the General Accounting Office review how FEMA is tracking disaster relief requirements and the status of disaster relief fund balances, as well as how FEMA ensures that disaster assistance dollars are used effectively and efficiently, and consistent with statutory and regulatory requirements.

The Committee commends FEMA for its rule, published September 1, 1999, listing the factors it considers when evaluating a Governor's request for a major disaster declaration, including State per capita damage; the severity, magnitude and impact of the disaster; insurance coverage; hazard mitigation measures; recent disaster history; and programs of other Federal assistance. The Committee is concerned, however, that these indicators are no more stringent than those used in the past. Moreover, traditionally FEMA has not been consistent in its application of these criteria. The Inspector General recently found that forty percent of the 192 declarations it examined in the 10-year period October 1988-September 1998 were declared with a state per capita damage figure under \$1, while FEMA used a \$1 per capita damage threshold as one of its disaster criteria. The Committee expects that FEMA will apply the criteria it has published in a consistent manner, and will look to strengthening the criteria over time, while recognizing the need to maintain some flexibility for unique circumstances.

The Committee continues to have concerns about FEMA's implementation of the hazard mitigation grant program authorized by section 404 of the Stafford Act. FEMA has been exempting several categories of projects from benefit-cost analysis, including property acquisitions, hazard research, and mitigation planning efforts; 14 percent of the projects reviewed by GAO had been exempted from benefit-cost analysis. While the Committee recognizes the need for some flexibility in selecting projects under this program, it is imperative that funds be allocated to those projects which will yield the greatest opportunities to reduce risk. The General Accounting Office conducted a review of this program and made recommendations to ensure that funded projects are cost-effective. The Committee expects FEMA to follow these recommendations, while also ensuring that funds are obligated more expeditiously. Currently there is approximately \$400,000,000 in unobligated 404 funds, dating back to 1994.

The Committee strongly supports FEMA's efforts to require adequate insurance for public buildings. This is integral to ensuring that state and local governments are taking all steps possible to prepare for disaster events. The rule should correct a disincentive

against insurance caused by the existing regulatory interpretation of the Stafford Act, reward communities and States for having insurance, save Federal disaster costs, and enhance preparedness.

Bill language has been included, as requested by the administration, authorizing the transfer of \$2,900,000 from the disaster relief fund to emergency management planning and assistance for the consolidated emergency management performance grant. The funds to be transferred represent the authorization for disaster preparedness improvement grants.

The Committee recognizes the State of Texas has formed Texas Task Force 1 (TxTF-1), the Texas Urban Search and Rescue Team, through the National Emergency Response and Rescue Training Center located in College Station, Texas. The Committee notes that TxTF-1 is a fully operational team, strategically located in the Central and Southeastern part of the nation on the Gulf Coast. The Committee also notes the State of Texas has invested \$2,000,000 to equip fully and train this team which has already been deployed in several natural disasters. Therefore, the Committee suggests FEMA do a full evaluation of TxTF-1 and report back to the Committee as to whether it should be included in the national Urban Search and Rescue System.

PRE-DISASTER MITIGATION FUND

Appropriations, 1999 .....	.....
Budget estimate, 2000	\$30,000,000
Committee recommendation .....	.....

PROGRAM DESCRIPTION

Under this initiative, FEMA provides funds for community-identified mitigation projects that reduce the exposure to disaster losses. These funds are expected to leverage private sector resources. Of the total amount requested, \$2,600,000 will be transferred to the Emergency Management Planning and Assistance appropriation into the consolidated emergency management performance grants to support Project Impact mitigation activities at the State level.

COMMITTEE DESCRIPTION

The Committee recommends funds for this activity under the "Emergency management planning and assistance" account, in lieu of a separate account as proposed by the administration.

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

(LIMITATION ON DIRECT LOANS)

STATE SHARE LOAN

	Program account	Administrative expenses
Appropriations, 1999	\$1,355,000	\$440,000
Budget estimate, 2000	1,295,000	420,000
Committee recommendation	1,295,000	420,000

PROGRAM DESCRIPTION

Disaster assistance loans authorized by the Robert T. Stafford Disaster Relief and Emergency Assistance Act 42 U.S.C. 5121 et seq. are loans to States for the non-Federal portion of cost sharing funds and community disaster loans to local governments incurring substantial loss of tax and other revenues as a result of a major disaster. The funds requested for this program include direct loans and a subsidy based on criteria including loan amount and interest charged.

COMMITTEE RECOMMENDATION

For the State Share Loan Program, the Committee has provided \$25,000,000 in loan authority and \$420,000 in administrative expenses. For the cost of subsidizing the appropriation, the bill includes \$1,295,000.

SALARIES AND EXPENSES

Appropriations, 1999	¹ \$174,779,000
Budget estimate, 2000	189,720,000
Committee recommendation	180,000,000

¹ Includes \$3,641,000 in Y2K emergency contingency funds.

PROGRAM DESCRIPTION

Program Support.—This activity provides the necessary resources to administer the Agency's various programs at headquarters and in the regions.

Executive Direction.—This activity provides for the general management and administration of the Agency in legal, congressional, government, and media affairs, and financial and personnel management, as well as the management of the Agency's national security program.

COMMITTEE RECOMMENDATION

The Committee recommends \$180,000,000 for FEMA salaries and expenses. This is a decrease of \$9,720,000 below the request and an increase of \$5,221,000 above the fiscal year 1999 enacted level. Owing to severe budget constraints, the Committee was not able to fund fully the budget estimate. The Committee did not fund 49 workyears lost to unbudgeted increases in fiscal year 1999, or 20 new workyears for administrative support for Project Impact. However, the Committee recommendation does accommodate additional resources for counterterrorism/anti-terrorism activities and for enhancements to the fire prevention and training program.

OFFICE OF THE INSPECTOR GENERAL

Appropriations, 1999	\$5,400,000
Budget estimate, 2000	8,015,000
Committee recommendation	8,015,000

PROGRAM DESCRIPTION

This appropriation provides agency-wide audit and investigative functions to identify and correct management and administrative

deficiencies, which create conditions for existing or potential instances of fraud, waste, and mismanagement. The audit function provides internal audit, contract audit, and inspection services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters relative to the negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of agency operations.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$8,015,000 for the Office of the Inspector General, an increase of \$2,615,000 above the fiscal year 1999 enacted level.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

Appropriations, 1999	¹ \$244,535,000
Budget estimate, 2000	250,850,000
Committee recommendation	255,850,000

¹ Includes \$3,711,000 in Y2K conversion emergency funding.

PROGRAM DESCRIPTION

The emergency management planning and assistance appropriation provides resources for the following activities: response and recovery; preparedness; information technology services; fire prevention and training; operations support; policy and regional operations; mitigation programs; and executive direction. Flood plain management activity and flood insurance operations are funded by transfer from the national flood insurance fund in fiscal year 1994.

COMMITTEE RECOMMENDATION

The Committee recommends the budget estimate of \$255,850,000 for emergency management planning and assistance. This is an increase of \$10,026,000 above the fiscal year 1999 level and \$5,000,000 above the budget request.

The Committee has included funds for the predisaster mitigation program in this account, rather than in a separate account as proposed by the administration. The Committee has recommended \$25,000,000 for this program. The administration had proposed \$30,000,000.

The Committee has taken a reduction of \$4,500,000 from the consolidated emergency management performance grant (EMPG), owing to budget constraints. However, funding under the EMPG would increase \$7,950,000 over the current level.

The Committee approves of FEMA's proposal for consolidated emergency management performance grants and has included necessary bill language requested by FEMA. This mechanism will allow increased flexibility for states to allocate funds according to risk. The Committee notes, however, that FEMA initiated performance partnership grants several years ago, which had the same stated purpose but did not result in significant changes to the allocation of funds. Also, FEMA did not adequately integrate risk information into the performance partnership grant process, or demonstrate that states were being held more accountable in exchange for the increased flexibility.

The Committee expects the new emergency management grant will incorporate increased accountability—including using performance measures that clearly demonstrate accountability—and that FEMA will implement incentives and/or disincentives to ensure states meet performance goals. Finally, the Committee expects FEMA will update and refine the state capability assessment for readiness (CAR) to lessen its subjectivity, provide more reliable information on state capability, and include an assessment of local governments' capabilities.

The Committee notes the cost-share developed for the EMPG is a composite cost-share based on cost-share policies for the funding sources contributing to the EMGP.

The Committee supports FEMA's anti-terrorism activities, and has included requested funding of \$30,800,000 (including \$4,688,000 in salaries and expenses). However, the Committee is concerned about the need to coordinate better the roles and responsibilities of the myriad federal agencies involved in anti-terrorism training, equipment and response planning. Over the past two years, the General Accounting Office has been assessing various aspects of the federal government's efforts to combat terrorism, and has raised serious concerns about potentially overlapping programs, and inadequate management and coordination of cross-cutting programs. Given that the President has requested approximately \$10,000,000,000 for these efforts government-wide in fiscal year 2000, the Committee strongly suggests the administration closely consider the findings and recommendations made by GAO to ensure we are allocating counterterrorism/anti-terrorism funds in the most effective manner possible. The Committee notes that GAO recently was tasked with evaluating the first-responder training programs for anti-terrorism. Given that FEMA plays a critical role in this area, the Committee looks forward to receiving GAO's recommendations for how the federal government could provide first responder training more effectively and economically.

The Committee supports FEMA's efforts to enhance the U.S. Fire Administration consistent with the recommendations of the Blue Ribbon Panel review of USFA, and requests a report within 90 days of enactment of this Act on FEMA's plans and progress in implementing the recommendations.

Full funding of \$5,500,000 has been provided for the dam safety program. Full funding has also been provided for the Central U.S. Earthquake Consortium. In distributing the general reduction within this account, no funds should be taken from these programs.

The Committee recognizes that investing in mitigation will yield reductions in future disaster losses, and that mitigation should be strongly promoted. However, an analytical assessment is needed to support the degree to which mitigation activities will result in future "savings." Therefore, the Committee directs FEMA to fund an independent study to assess the future savings resulting from the various types of mitigation activities.

The Committee has added bill language ensuring that prior year appropriations for the Jones County, MS, emergency operating center will remain available until September 30, 2001. This is necessitated by protracted decision-making related to floodplain determinations.

RADIOLOGICAL EMERGENCY PREPAREDNESS FUND

The Radiological Emergency Preparedness [REP] Program assists State and local governments in the development of offsite radiological emergency preparedness plans within the emergency planning zones of commercial nuclear power facilities licensed by the Nuclear Regulatory Commission [NRC].

The fund is financed from fees assessed and collected from the NRC licensees to cover the cost of the REP program. Estimated collections for fiscal year 2000 are \$13,460,000.

EMERGENCY FOOD AND SHELTER

Appropriations, 1999	\$100,000,000
Budget estimate, 2000	125,000,000
Committee recommendation	110,000,000

PROGRAM DESCRIPTION

The Emergency Food and Shelter Program originated as a one-time emergency appropriation to combat the effects of high unemployment in the emergency jobs bill (Public Law 98-8) which was enacted in March 1983. It was authorized under title III of the Stewart B. McKinney Homeless Assistance Act of 1987, Public Law 100-177.

The program has been administered by a national board and the majority of the funding has been spent for providing temporary food and shelter for the homeless, participating organizations being restricted by legislation from spending more than 2 percent of the funding received for administrative costs. The administrative ceiling was increased to 5 percent under the McKinney Act. However, subsequent appropriation acts limited administrative expenses to 3.5 percent.

COMMITTEE RECOMMENDATION

The Committee recommends \$110,000,000 for the Emergency Food and Shelter Program, an increase of \$10,000,000 above the fiscal year 1999 level and a reduction of \$15,000,000 below the budget request. The additional funds will provide for more than 8 million meals at soup kitchens, food pantries and food banks; 46,000 more bed-nights through vouchers at hotels and motels; 336,000 more bed-nights at mass shelters; 14,000 fewer evictions; and 18,000 fewer utility cut-offs.

FLOOD MAP MODERNIZATION FUND

Appropriations, 1999 .....	.....
Budget estimate, 2000	\$5,000,000
Committee recommendation .....	.....

PROGRAM DESCRIPTION

FEMA requests a one-time appropriation of \$5,000,000 to be supplemented with \$58,000,000 in collections from a proposed \$15 mortgage transaction fee that will support a multi-year effort to update and modernize FEMA's inventory of over 100,000 flood maps. The maps are used to provide accurate and complete flood hazard information for the nation in a readily available format.

COMMITTEE RECOMMENDATION

The Committee recognizes the importance of updating and modernizing FEMA flood maps. However, FEMA's proposal to implement a mortgage transaction fee to finance this initiative has not garnered support, and budgetary constraints prevent the Committee from funding this multi-year \$900,000,000 requirement through discretionary appropriations. The Committee understands FEMA is exploring other options for financing this initiative. Therefore, the Committee has deferred action on the administration's request for a one-time appropriation of \$5,000,000 to start up the flood map modernization fund.

NATIONAL FLOOD INSURANCE FUND

(TRANSFERS OF FUNDS)

PROGRAM DESCRIPTION

The National Flood Insurance Act of 1968, as amended, authorizes the Federal Government to provide flood insurance on a national basis. Flood insurance may be sold or continued in force only in communities which enact and enforce appropriate flood plain management measures. Communities must participate in the program within 1 year of the time they are identified as flood-prone in order to be eligible for flood insurance and some forms of Federal financial assistance for acquisition or construction purposes. In 2000, the budget assumes collection of all the administrative and program costs associated with flood insurance activities from policyholders.

Under the Emergency Program, structures in identified flood-prone areas are eligible for limited amounts of coverage at subsidized insurance rates. Under the regular program, studies must be made of different flood risks in flood prone areas to establish actuarial premium rates. These rates are charged for insurance on new construction. Coverage is available on virtually all types of buildings and their contents in amounts up to \$350,000 for residential and \$1,000,000 for other types.

COMMITTEE RECOMMENDATION

The Committee has included bill language, providing up to \$24,333,000 for administrative costs from the Flood Insurance Program for salaries and expenses. The Committee has also included bill language providing up to \$78,710,000 for flood mitigation activities including up to \$20,000,000 for expenses under section 1366 of the National Flood Insurance Act.

The Committee has included requested bill language which extends the authorization through fiscal year 2000 for borrowing from the Treasury up to \$1,000,000,000, and for flood mapping studies.

NATIONAL INSURANCE DEVELOPMENT FUND

The National Insurance Development Fund (NIDF) was established from the proceeds of the Riot Reinsurance Program, which was terminated by the Congress on November 30, 1983. It was also used as the vehicle for funding the Federal Crime Insurance Pro-

gram (FCIP), and it received deposits from crime insurance premiums and other receipts. The authorization for the FCIP expired September 30, 1995.

The Committee has included language, as requested by the administration, that forgives outstanding borrowings of the NIDF and cancels the interest on the borrowings. This effectively eliminates the FCIP as a federally-sponsored government program.

NATIONAL FLOOD MITIGATION FUND

Appropriations, 1999	
Budget estimate, 2000	\$12,000,000
Committee recommendation	

PROGRAM DESCRIPTION

Through fee-generated funds transferred from the National Flood Insurance Fund, this fund would support activities to eliminate pre-existing, at-risk structures that are repetitively flooded, and provides flood mitigation assistance planning support to States.

COMMITTEE RECOMMENDATION

The Committee does not recommend funds for this new initiative, owing to budget constraints. The Committee recognizes the need to eliminate repetitive loss structures and acknowledges that buyouts are a way to accomplish this goal. Eliminating these properties would lower the net subsidy required to operate the NFIP, reduce claims on the Disaster Relief Fund, and reduce the number of individuals living in areas at significant risk of flooding. The Committee urges the Director to undertake changes through the regulatory process to reduce costs to the federal government associated with repetitive loss structures.

GENERAL SERVICES ADMINISTRATION

CONSUMER INFORMATION CENTER

Appropriations, 1999	\$2,619,000
Budget estimate, 2000	2,622,000
Committee recommendation	2,622,000

PROGRAM DESCRIPTION

The Consumer Information Center [CIC] was established within the General Services Administration [GSA] by Executive Order on October 26, 1970, to help Federal departments and agencies promote and distribute consumer information collected as a byproduct of the Government's program activities.

The CIC promotes greater public awareness of existing Federal publications through wide dissemination to the general public of the Consumer Information Catalog. The catalog lists both sales and free publications available from the Government Printing Office [GPO] distribution facility in Pueblo, CO. Distribution costs of the free publications are financed by reimbursements from the Federal agencies to the Consumer Information Center.

Public Law 98-63, enacted July 30, 1983, established a revolving fund for the CIC. Under this fund, CIC activities are financed from the following: annual appropriations from the general funds of the

Treasury, reimbursements from agencies for distribution of publications, user fees collected from the public, and any other income incident to CIC activities. All are available as authorized in appropriation acts without regard to fiscal year limitations.

COMMITTEE RECOMMENDATION

The Committee recommends \$2,622,000 for the Consumer Information Center, the same as the budget estimate and the enacted level.

The appropriation will be augmented by reimbursements from Federal agencies for distribution of consumer publications, user fees from the public, and other income. CIC's anticipated obligations for fiscal year 2000 will total approximately \$6,289,000.

CIC expects to distribute approximately 7,600,000 publications in fiscal year 2000, the same level projected for the current year. In addition, CIC estimates there will be 7,500,000 public accesses of CIC electronic information products.

The Committee recognizes that the appropriation for CIC will result in a CIC fund balance of \$230,000 by the end of fiscal year 2000. The fund balance has been steadily declining as CIC program expenses have exceeded income from appropriations, user fees, agency reimbursements and other income. The Committee believes the Fund balance should be stabilized and directs the administration to submit a budget for fiscal year 2001 that achieves a better balance between annual income and expenses.

The Committee believes that the position of director of the CIC may warrant conversion to a permanent career reserved Senior Executive Service level position, in view of the mission, mandate, responsibility, budget authority, and status of the Consumer Information Center. Therefore, the Committee supports actions by the General Services Administration and the Office of Personnel Management to achieve this end.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Appropriations, 1999	\$13,646,700,000
Budget estimate, 2000	13,578,400,000
Committee recommendation	13,578,400,000

GENERAL DESCRIPTION

The National Aeronautics and Space Administration (NASA) was established by the National Aeronautics and Space Act of 1958 to conduct space and aeronautical research, development, and flight activities for peaceful purposes designed to maintain U.S. preeminence in aeronautics and space. These activities are designed to continue the Nation's premier program of space exploration and to invest in the development of new technologies to improve the competitive position of the United States. The NASA program provides for a vigorous national program ensuring leadership in world aviation and as the preeminent spacefaring nation.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$13,578,400,000 for the National Aeronautics and Space Administration for fiscal year 2000.

The Committee strongly supports NASA's many activities and programs that underlie its mission of promoting civilian space flight, exploration, scientific advancement, and the development of next-generation technologies. NASA's success is highlighted through missions that allow us to picture the far reaches of the universe, to see the birth of stars and galaxies, and to imagine the possibility of life existing throughout the universe. NASA also is beginning the first stages of the construction in orbit of the International Space Station with the successful launch of the first 3 elements of the station, including the successful assembly of the Russian Zarya and the U.S. Unity pressurized node.

Nevertheless, the Committee continues to be very troubled by cost overruns and unrealistic budgeting by NASA, especially those associated with the development and construction of the Space Station. This concern was highlighted most significantly by the independent cost assessment and validation [CAV] report issued last year by a review team headed by Jay Chabrow. The CAV report estimated that the final cost of the space station will be some \$24,700,000,000, instead of the NASA estimate of \$17,400,000,000 and will take up to 38 months longer to build than previous NASA estimates. Many of these additional costs have been unfairly borne through budget reductions in other NASA programs and activities, most particularly programs and activities designed to add to our understanding of the space and earth sciences.

Because of these concerns, and as provided in the fiscal year 1999 VA/HUD appropriations conference report (House Report 105-769), the Committee has established a separate account for the International Space Station and an account for space shuttle activities. All activities related to the International Space Station will be funded under the "International Space Station" account, whereas the space shuttle activities, including upgrades, will be funded under the "Launch Vehicles and Payload Operations" account. Additional authority is provided to allow NASA to reprogram funding from the International Space Station account to the space shuttle program to ensure the availability of adequate funds for any needed safety upgrades. The Committee expects NASA to have resolved any financial accounting concerns associated with this restructuring during the last year.

As is discussed throughout this report, the Committee believes that NASA must articulate a comprehensive agenda and strategy through an agency performance plan for each of NASA's primary centers that identifies a linkage between resources and activities in a way that guarantees an advanced technology strategy that will ensure the preeminence of NASA in the area of space transportation, the earth and space sciences, and aerospace technology, including aeronautical research and technology. The Committee expects a preliminary action plan on this agenda and strategy no later than April 15, 2000 with the plan targeted to the activities of NASA through the first decade of the next century. Moreover, it

is expected that each primary center be vested with specific responsibilities and activities, and that these specific responsibilities and activities be clearly articulated. Within this plan, NASA should identify where a center has or is expected to develop the same or similar expertise and capacity as another center, including the justification for this need. The plan should also include a specific 10-year profile of flight missions, identifying the time frames for core missions and core mission elements. This profile should identify the primary NASA center responsible for each flight's mission management. The profile also clearly should articulate the criteria that is used and/or will be used to permit missions to be built intramurally, as well as the strategy for using industry and leading academic laboratories for mission development and execution.

The Committee remains interested in the implementation of the Office of Management and Budget initiative to implement full cost accounting in all NASA programs and directs NASA to consult regularly with the Committee on all critical issues as well as the status of this initiative.

As part of the Committee's efforts to understand NASA's long-term budgeting, the Committee is concerned about the varying cost structures among the NASA space centers. The Committee is aware that NASA's space centers have different cost structures. Full-time equivalent costs and the built-in overhead costs seem to vary from center to center. As NASA moves to full cost accounting, the Committee needs to have a better understanding of NASA's cost structures among the space centers. It also is expected that the costs of personnel and equipment among the centers reflect a comparable cost to NASA. The Committee directs the Administrator to report back to the Committee by April 1, 2000 with an analysis and comparison of the full-time equivalent and overhead costs at all of the space centers.

The Committee also seeks to get a clearer picture about NASA's budget in the outyears. The Committee directs that NASA include the outyear budget impacts on all reprogramming requests and include the outyear budget impact of all missions in the annual operating plan. The budget also should include an accounting of all program/mission reserves.

The Committee also expects NASA to continue to refine its implementation of the Government Performance and Reports Act [GPRA]. NASA needs to provide more coherence to its performance goals and the benchmarks it will use to assess its performance.

In addition, because of the Committee's substantial concern regarding the need of all Federal agencies, as well as the private sector, to address fully the year 2000 computer crisis, the Committee directs NASA to continue to consult with the Committee on a regular basis regarding the status of NASA's efforts to resolve the year 2000 computer crisis. While the Committee understands NASA has made substantial progress towards completing this goal, the Committee remains concerned particularly with NASA's efforts because of the significant and complex technological nature of its activities and the international character of its varied missions. NASA is directed to consider this area a priority until such time as this issue is resolved fully.

The Committee remains committed to promoting cost efficiencies within NASA's programs and activities through the commercialization of certain activities and programs. Part of this effort is reflected in the cost-saving potential of the Consolidated Space Operations Contract [CSOC]. The Committee expects NASA to report no later than April 30, 2000 on the progress made in implementing this program, and identifying other activities within NASA for commercialization, including estimates for savings. In particular, NASA also is expected to develop commercialization plans for all communication activities within NASA no later than August 30, 1999.

The Committee remains very concerned about past reports and evidence as well as continuing risks regarding the illegal transfer and theft of sensitive technologies that can be used in the development of weapons by governments, entities and persons who may be hostile to the United States. While the Committee has confidence in NASA's and the NASA Inspector General's commitment to ensure that NASA-related sensitive technologies will not be illegally transferred, the Committee believes that any risk of an illegal transfer must be eliminated. This is especially troubling since NASA, in developing and implementing space missions as an international program, has a difficult responsibility for ensuring sensitive technology does not end up in hostile hands.

For example, there is the risk that Russia may be transferring sensitive missile technology to countries like Iraq, Iran and Communist China. Therefore, the Committee directs NASA, in conjunction with the NASA Inspector General, to conduct an annual assessment and report to the Congress on all procedures, protocols and policies governing the export or transfer of NASA-related technologies and to determine the extent to which NASA and NASA contractors are carrying out activities in compliance with Federal export control laws. The Committee also applauds the NASA IG's efforts in this area through its Technology Oversight Project.

Moreover, the Committee directs NASA, in conjunction with the NASA IG, to report on an annual basis on any vulnerabilities within NASA to hostile attacks.

HUMAN SPACE FLIGHT

Appropriations, 1999	\$5,480,000,000
Budget estimate, 2000	5,638,000,000
Committee recommendation	

Because of significant and continuing concerns with cost overruns, last year's conference report (House Report 105-769) required NASA to include a separate account for the International Space Station. These concerns continue and, therefore, the Committee has not provided funds for the "Human space flight" account. Instead, the Committee has created two new accounts, detailed below.

INTERNATIONAL SPACE STATION

Appropriations, 1999	
Budget estimate, 2000	
Committee recommendation	\$2,482,700,000

PROGRAM DESCRIPTION

NASA's "International space station" account provides funding for the continued development of the space station and activities which support utilization of the space station, as well as advanced technology projects and engineering technical base support for the field centers supporting space station activities.

COMMITTEE RECOMMENDATION

The Committee has provided \$2,482,700,000 for the International Space Station program. This amount is consistent with the President's request for these activities in fiscal year 2000.

The Committee continues its strong support of the International Space Station as a permanent space laboratory for the research of space and earth science and for unique investigations for humans living for long durations in a micro gravity environment. We expect the station to provide unparalleled scientific research opportunities as well as permanent crew habitability by international teams in an advanced research facility located in the near zero-gravity environment of space. The results of this research are critical to our understanding of how to live and work in space, and will provide tangible benefits to us through advances in all aspects of science.

Nevertheless, as previously discussed in this report, the Committee has established a new funding account for all activities related to the construction of the International Space Station because of continued concerns over cost overruns and unrealistic accounting. These concerns were highlighted by last year's release of the report issued by the independent cost assessment and validation team headed by Jay Chabrow. This report estimated that the final cost of the space station will be \$24,700,000,000 instead of \$17,400,000,000, as originally estimated by NASA, and will take up to 38 months longer to build than previous NASA estimates.

The Committee understands that the nature of exploring space is an unprecedented and unpredictable activity, and that the costs associated with this activity also are uncertain and often subject to overruns. Nevertheless, NASA has 40 years of experience in leading mankind from the earth to the stars, and this Committee expects NASA to provide better estimates of costs, including the costs associated with reserves, to ensure that the success of its missions can be funded within understandable and realistic budgets.

In the past, NASA has responded to the funding needs of the space station by raiding other important NASA programs for any needed funding. While NASA has allowed the space station to overshadow its other programs and activities, the Committee believes these other programs and activities are equally exciting, rewarding and unique, and remains concerned that these programs have been diminished for the benefit of the Space Station.

The Committee also supports the international character of the Space Station as a symbol and tool for international cooperation and partnership. Nevertheless, the Committee continues to have substantial concerns regarding the ability of Russia to meet its financial commitment and partnership obligations to the Space Station.

While the Committee has requested NASA to reduce reliance on Russia to meet the schedule for construction of the Space Station, it does not expect NASA to duplicate every activity which is the responsibility of Russia, even those in the critical path. This is not practical or responsible. The Committee is troubled especially by reports that currently estimate that the cost to protect against Russian nonperformance will be some \$1,200,000,000. The Committee, therefore, directs NASA to identify and report to the Congress quarterly on each space station activity that is the responsibility of Russia, its status, the associated cost, and alternative options to ensure the timely completion of the activity per the schedule.

The Committee is concerned about recent reports that international contributions with regard to hardware supporting external payloads may fall short of the original schedule and requirements. The Committee directs NASA to contract domestically for these external components, unless NASA can demonstrate with substantial certainty that the international partner can meet all schedule and hardware requirements. Further, NASA is directed to provide the Committee with a summary of all external hardware components needed for the Space Station that have been contracted for internationally, the schedule for delivery of these components, and the current status of each component with regard to completion and delivery.

The Committee also is concerned about continuing cost overruns in the domestic component of the space station program. The Committee directs NASA through an independent committee to review and report to the Committee on a quarterly basis on the status of the Space Station consistent with the current schedule as proposed in the fiscal year 2000 NASA budget justifications. The report shall include a review of all increased costs associated with the Space Station, the reason for the costs, and an assessment of any unnecessary expenses. The Committee expects NASA to live within its budget and constrain major new and unnecessary expenses, such as those which would be associated with an inflatable habitation module.

Because of these continuing and increasing concerns regarding cost overruns and the failure of Russia to meet its financial and mission commitments, the Committee directs NASA to undertake the recovery of additional cost savings within the International Space Station development and operations program. The Committee believes that NASA should accelerate the privatization and commercial development of the Space Station to generate long-term cost-savings so that the Space Station does not continue to impact negatively the rest of the NASA budget. The Committee, therefore, directs NASA to develop a plan to outsource the responsibility for Space Station communications, logistics and resupply services, and science facility and services to the extent these logistic needs can be provided effectively by the private sector and will result in savings. The Committee also expects that NASA use fixed price contracting instead of cost-plus contracting in contracting for these requirements. This action plan should be submitted to the Congress by March 1, 2000, and include a projection of all savings.

This account includes legislative language that will permit NASA to seek reprogramming of Space Station funds to meet any safety

requirements for the space shuttle deemed necessary and critical by NASA during fiscal year 2000. Since it is not likely that NASA nor the space industry will be able to provide cost-effective alternatives to the shuttle until late in the first decade of the 21st century, NASA may need to rephrase its scheduled upgrades for the shuttle to meet a longer term commitment. Moreover, the United Space Alliance, the private contractor responsible for the administration of the shuttle program, has identified certain upgrades to improve safety and reliability, including such improvements as electric auxiliary power units, a Space Shuttle main engines advanced health management system, main propulsion system electromechanical actuators, and proton exchange membrane fuel cells. To the extent these upgrades are deemed appropriate and necessary for safety reasons, NASA is authorized to seek a reprogramming from the Space Station account to meet these needs. Further, the Committee understands that the Space Station funding for fiscal year 2000 can absorb these costs without a negative impact on the current Space Station construction schedule.

The Committee also recognizes the funds appropriated by this Act for the development of the International Space Station may not be adequate to cover all potential contractual commitments should the program be terminated for the convenience of the Government. Accordingly, if the Space Station is terminated for the convenience of the Government, additional appropriated funds may be necessary to cover such contractual commitments. In the event of such termination, it would be the intent of the Committee to provide such additional appropriations as may be necessary to provide fully for termination payments in a manner which avoids impacting the conduct of other ongoing NASA programs.

LAUNCH VEHICLES AND PAYLOAD OPERATIONS

Appropriations, 1999 .....	.....
Budget estimate, 2000 .....	.....
Committee recommendation	\$3,156,000,000

PROGRAM DESCRIPTION

NASA's "Launch vehicles and payload operations" account provides funding to maintain space transportation capabilities, flight and other activities required for the continued safe operation of the space shuttle, and funding for the support of payloads flying on the shuttle and space lab, as well as advanced technology projects and engineering technical base support for the field centers supporting space shuttle activities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,156,000,000 for the space shuttle and payload utilization activities. This amount is \$700,000 above the President's budget request for these activities, and includes \$2,986,700,000 for space shuttle operations and \$169,100,000 for payload utilization and operations.

This account includes all funding for safety and performance upgrades as well as the funds previously provided within the Payload and Utilization Operations Program component of the "Human Space Flight" account. The Committee remains concerned about

safety upgrades as well as technological upgrades that will enhance the use of the shuttle and reduce costs over time. This concern must be highlighted since NASA recently acknowledged that it would be unable to meet the decisionmaking requirements associated with any transition to a reusable launch vehicle. The likely result is that the shuttle will be needed as the primary vehicle for manned space flight until at least late in the first decade of the 21st century.

The Committee frequently has raised concerns about the need for NASA to make a longer commitment to the shuttle as the primary vehicle for manned space flight. NASA recently has raised concerns informally that additional funds may be needed for shuttle upgrades, including safety upgrades, beyond the amount requested in the budget request. The Committee expects NASA to provide a report by November 1, 1999 on any needed upgrades associated with the shuttle, including all costs and a proposed schedule for implementation. NASA also is expected to submit by May 15, 2000 a comprehensive report on a 10-year funding profile on shuttle costs, including upgrades and safety needs. As previously discussed, the Committee also has provided NASA with the authority to seek reprogramming from the "International Space Station" account to pay for any needed safety upgrades for the shuttle.

Eight flights have been planned for fiscal year 2000, including seven flights for the assembly of the International Space Station and one for the repair of the Hubble space telescope (Hubble). NASA expects to add another shuttle flight to complete repairs and improvements of the Hubble during fiscal year 2000. While the Committee supports this additional flight, the Committee remains concerned about the poor planning at NASA for Hubble needs and its cavalier use of Hubble reserves to pay for cost overruns associated with the Advanced X-Ray Astrophysics Facility (Chandra; AXAF). The Committee also expects NASA to add an additional shuttle research mission in fiscal year 2000, as required in the VA/ HUD fiscal year 1999 conference report.

The Committee expects NASA to provide more accurate budgeting for all programs, including adequate reserve needs for contingencies. As a result, the Committee is including a legislative provision terminating all programs and activities which exceed either their overall budget or their annual budget by 15 percent. The International Space Station, the biggest offender of cost overruns and poor budgeting, will not be subject to this provision because of the sunk costs of this project and because the project is in its final stages.

SCIENCE, AERONAUTICS, AND TECHNOLOGY

Appropriations, 1999	\$5,653,900,000
Budget estimate, 2000	5,424,700,000
Committee recommendation	5,424,700,000

PROGRAM DESCRIPTION

NASA's "Science, aeronautics and technology" account provides funding for science, research and development programs to extend knowledge of the Earth, its space environment, and the universe; to expand the practical applications of aerospace technology, launch

services, and advanced space transportation technology; to promote and expand aeronautical research and technology; and to fund academic and education programs.

COMMITTEE RECOMMENDATION

The Committee recommends \$5,424,700,000 for the Science, Aeronautics and Technology account, the same as the President's request and \$229,200,000 below the fiscal year 1999 enacted level. This funding recommendation includes \$2,076,600,000 for Space Science, \$256,200,000 for Life and Microgravity Sciences and Applications, \$1,459,100,000 for Earth Science, \$1,106,500,000 for Aerospace Technology, \$406,300,000 for Mission Communication Services, and \$120,000,000 for Academic Programs. NASA is directed to make adjustments within each of the six identified enterprises within this account to accommodate the stated funding priorities and submit these adjustments as part of its fiscal year 2000 operating plan.

Space Science.—The Committee has provided \$2,076,600,000 for space science activities. This amount is \$120,000,000 less than the President's budget request and \$42,600,000 less than the fiscal year 1999 appropriated level.

NASA's Space Science program seeks to answer fundamental questions concerning the galaxy and the universe; the connection between the Sun, Earth, and heliosphere; the origin and evolution of planetary systems; and the origin and distribution of life in the universe. The Space Science program is comprised of a base program of research and development activities, including research and flight mission activities and major flight missions which provide major space-based facilities.

The Committee supports the Space Science program and recognizes the many contributions this mission has made to our understanding of the universe and the solar system. Nevertheless, the program has been subject to some mixed successes and some outright failures, most recently the WIRE mission. Another issue of concern is the failure of NASA to control cost overruns and program delays in the Chandra program, and the current need to add an additional shuttle repair mission to the Hubble Space Telescope at a cost of some \$136,000,000 estimated to be incurred during the fiscal years 1999 through 2003 period.

In addition, the Committee has become concerned that the drive to promote missions has not been balanced with a commensurate investment in the availability and analysis of the data collected under the various science missions, resulting in what has been called data mortuaries. Therefore, the Committee requests the Office of Science and Technology Policy (OSTP) to assess the usefulness and the availability of the data collected from the Space Science missions, and report to the Committee by June 15, 2000 on the assessment, including recommendations to ensure that space science data is being made available to maximize its usefulness. OSTP and NASA should consider whether a data warehouse or data library should be developed as a way to ensure the availability and use of the space science data.

The Committee also requests that NASA advise it on how missions are prioritized and whether they are prioritized based on

benchmarks associated with the usefulness of the data being collected. The Committee also expects NASA to develop goals and benchmarks for its missions in a manner consistent with the Results Act.

The Committee remains strongly supportive of continued investments in space science and its multi-disciplinary approach to scientific discovery and technological advancement. The Committee is concerned, however, about the need for the appropriate balance among the four themes in terms of future flight missions and advanced technology development [ATD]. The Committee directs the agency to submit a report on the global space science budget detailing: all flight projects in either phase B or phase C/D status; all mission operations and data analysis funding; all advanced technology funding by sub-program activity and future flight project; and all civil service costs, including salary and expense costs charged against individual flight programs or technology budgets at the Jet Propulsion Laboratory.

The Committee notes that the fiscal year 1998 Statement of Managers (House Report 105–297) outlined a critical change in the allocation of advanced technology development [ATD] funding for space science so that 75 percent of all such funding would be done competitively through the announcement of opportunity [AO] process. Despite nearly two years since that guidance, NASA has failed to issue its first competitive comprehensive ATD. The Committee wishes to make clear its strong desire to see the Congress' earlier directive implemented, without deviation or further delay. For this reason, the Committee expects the fiscal year 1999 AO to be issued shortly and for the Agency to report to the Committee by December 1, 1999 on how it intends to comply with the directives specified in H. Rpt. 105–297 for both fiscal year 1999 and 2000 at that time.

The Committee strongly supports the Hubble Space Telescope as one of the most rewarding missions ever launched by NASA. Despite some serious problems with the primary mirror identified soon after the Hubble launch in 1990, the Hubble has provided almost a decade of exciting pictures and data regarding the formation and early development of the universe. While the Committee is very disappointed by the failure of NASA to budget and plan adequately for the current failures in the Hubble's gyroscope system, the Committee supports both the repair mission and the upgrade mission, both scheduled for fiscal year 2000. The Committee, therefore, includes an additional \$26,000,000 for fiscal year 2000 for costs associated with the mission to replace the gyroscopes in the Hubble Space Telescope, thereby enabling the observatory to keep operating without interruption.

The Committee includes an additional \$21,000,000 for Sun-Earth Connections [SEC], including an additional \$15,000,000 for STEREO to guarantee a 2003 launch and an additional \$6,000,000 for SEC advanced technology for post-STEREO missions. In addition, the Committee directs NASA to provide a long-term plan that provides funding for a robust SEC program in its fiscal year 2001 budget request. This plan should assume a continuous profile of launches on an 18-month time scale, the creation of an applications and space weather program that addresses all appropriate elements of space weather-related phenomena, and an SEC ATD pro-

file to enable the development of new technologies for small, affordable spacecraft for future missions.

NASA is directed to submit a report to the Committee by May 1, 2000 detailing the extent to which lunar missions are being planned, including an assessment to what extent scientific exploration, both manned and unmanned, of the moon should be considered a priority. The Committee believes that a significant lunar initiative could result in a substantial contribution to space science and be a stepping stone to future planetary initiatives.

The Committee recommendation supports the President's full budget request for the space infrared telescope facility [SIRTF].

The Committee recommendation includes an additional \$3,000,000 for the development of an electrodynamic tether facility to place and manipulate satellites in their orbits without the use of chemical propellants. To the extent this is a viable and useful technology, it is expected that NASA will include the necessary funds in the fiscal year 2001 budget.

The Committee recommendation also has provided \$1,000,000 for an astronomical satellite telescope operated at Western Kentucky University. This will complete the funding needed for this telescope.

The Committee recommendation includes \$3,000,000 in support of a hands-on science center at Huntsville, AL.

Earth Science.—The Committee has provided \$1,459,100,000 for Earth science activities. This amount is the same as the President's budget request.

The objective of NASA's Earth Science Program is to understand the total Earth system and the effects of natural and human-induced changes on the global environment. Earth science has three broad goals: to expand scientific knowledge of the Earth using NASA's unique capabilities from the vantage points of space, aircraft, and in other such platforms; to disseminate information about the Earth system; and to enable productive use of Earth science and technology in the public and private sectors.

The Committee also directs NASA and OSTP to assess and report on the rate of collection and use of data associated with Earth Science missions to identify whether "data mortuaries" are being created. The Committee requests NASA and OSTP assess the usefulness and the availability of the data collected from the Space Science missions, and report to the Committee by June 15, 2000. Again, OSTP and NASA should consider whether a data warehouse or data library should be developed as a way to ensure the availability and usefulness of the data. The Committee requests that NASA advise it on how missions are prioritized and whether they are prioritized based on benchmarks associated with the usefulness of the data being collected. The Committee also expects NASA to develop goals and benchmarks for its missions in a manner consistent with the Results Act.

The Committee recognizes the unique role that the Goddard Space Flight Center plays in earth and space science. The EOSDIS program is NASA's most ambitious data gathering program. While progress has been made in improving NASA's ability to analyze EOSDIS data, the Committee believes NASA should place a greater emphasis on commercializing EOSDIS data. Given the unprece-

mented amount of data that will be collected and the potential benefits from commercialization, the Committee directs NASA to report back to the Committee by March 15, 2000 with a plan to commercialize EOSDIS data that specifies the role of Goddard Space Flight Center in implementing a commercialization plan.

The Committee believes that NASA and its Office of Earth Science must articulate in the near term a comprehensive, post-EOS agenda that guarantees, through its vision and the commitment of budgetary resources, that NASA will have a robust flight profile and advanced technology strategy to maintain its preeminence in the earth sciences. For this reason, the Committee expects an EOS-II strategy by February 1, 2000 that articulates in detail the Agency's earth science plans through fiscal year 2010.

The strategy should determine how the Agency intends to capitalize on the \$6,600,000,000 investment in the EOS-I series of missions, including the ground system developed to handle data for these initial spacecraft, so as to minimize a plan that "reinvents the wheel" on a wide range of systems and technologies.

The Committee is interested in the development of a more focused applications effort that seeks to utilize fully the investment to date in the EOSDIS Core System (ECS) ground system and its network of distributed archive centers, and the newly created regional earth science applications centers, in developing new cutting-edge, higher level uses of earth science data for particular user groups like U.S. agriculture, forestry and natural resources, water resource management, disaster preparation and mitigation, and state and local government.

The bill includes \$32,000,000 for the EOSDIS core system (ECS) only, to supplement delivery of a full scale ECS to meet requirements that NASA and the ECS contractor have agreed to provide the EOS programs' eight distributed active archive centers (DAAC) and to cover costs necessary to guarantee the viability of flight operations software (FOS) developed for Landsat 7 and Terra spacecraft. The Committee also provides \$7,000,000 to develop additional uses for NASA's earth observing system to make data more readily available for potential user communities. The Committee believes that the long-term utility of NASA's earth science program lies in identifying additional uses for data obtained by NASA's EOS program. Therefore, the Committee has provided sufficient funding to analyze data/service needs for the various EOS data user communities, including assessments of commercial viability or cost/benefit analysis for government entities. For the most promising candidate application, funding is included to identify existing technologies that would simplify the implementation of the required data mart, work with partners to develop the data mart, and develop the necessary interfaces to enable EOSDIS to act as the direct "pipeline" for the data.

The Committee believes that the current ATD structure used by the Office of Earth Science is too disjointed and that the new millennium program (NMP) in particular has concentrated technology efforts at a single NASA center, discouraging competition among a broad range of institutions. The Committee reiterates that the ATP maintain the same threshold of true competition (75 percent) in earth science ATD via announcements of opportunity, including the

NMP. Further, any remaining non-competed funds should be distributed among NASA centers and academic laboratories in a manner to ensure that the nation has access to the best paths of technological advancement and discovery. Innovative management strategies, such as cooperative agreements and new center partnerships with academic labs or the private sector should be included in the ATD strategy as well.

The Committee recommends up to \$5,000,000 for NASA's LightSAR program to continue U.S. investment in this program, where appropriate, to help preserve the usefulness of this technology. While NASA is looking to terminate this program because of a lack of interest by private industry in the current structure of the program, LightSAR continues to have tremendous potential for a number of practical applications as spaceborne synthetic aperture radars [SARs] provide all-weather methods for remote sensing/monitoring of the earth's surface. This technology includes the capacity to monitor crops and natural vegetation, natural hazards, soil moisture, snow cover, land use, topographic mapping, oil/mineral exploration, oilspill detection, environmental monitoring, ocean waves and winds as well as ice on the seas, lakes and glaciers.

The Committee also continues to support the specific programs aimed at fostering the development of a viable U.S. commercial remote sensing industry, including cooperative sponsored research projects with other Federal agencies and market-focused applications projects with commercial partners such as Mississippi State University, the U.S. Department of Agriculture, and the commercial sector for remote sensing applications in agriculture and forestry which are being carried out at Stennis Space Center, NASA's lead center for commercial remote sensing. The Committee continues to support the Commercial Remote Sensing program at Stennis and the Commercial Remote Sensing Partnership including research and cooperative research being conducted at Mississippi State University and the University of Mississippi.

Because of the tremendous potential of the remote sensing industry for commercial applications and the wide variety of proposed projects and technologies currently becoming available, NASA is directed to host a forum, in conjunction with the National Science Foundation, on the challenges facing this industry as well as to make recommendations as to the role of the Federal/private partnership in developing these technologies and the manner in which these technologies should be supported by the Federal government. This forum also shall include state and local government participation in order to examine the usefulness of these technologies in land use planning, resources management and transportation infrastructure planning. In addition, NASA is directed to work (1) with the Federal Emergency Management Agency to develop a demonstration program for the use of these technologies in the mapping of flood plains, (2) with the Environmental Protection Agency to establish a demonstration program for monitoring and assessing water quality, soil erosion and vegetative biodiversity. The Committee directs these agencies to report to the Congress by April 15, 2000 on the structure of these demonstrations, including the resources to be committed by each agency.

The Committee includes \$2,000,000 for the Advanced Fisheries Management Information System (AFMIS) program at the University of Massachusetts and Dartmouth University, of which \$500,000 is to be used to develop a companion program at the University of Alaska in Fairbanks. This funding will fund this vital research for the next three years.

The Committee commends NASA's support of the Upper Midwest Aerospace Consortium (UMAC) in delivering practical benefits of the space program to farmers, ranches, educators and businesses, and urges NASA to consider a permanent and ongoing NASA-supported center to continue and expand UMAC's activities.

Life and Microgravity Sciences and Applications.—The Committee has provided \$256,200,000 for Life and Microgravity Sciences and Applications. This amount is the same as the President's budget request.

The Life and Microgravity Science Program uses the microgravity environment of space to conduct basic and applied research to understand the effect of gravity on living systems and to conduct research in the areas of fluid physics, materials science, and biotechnology. The Life and Microgravity Science Program will conduct research, and provide the opportunity to refine the definition, design, and development of experimental hardware planned for the International Space Station.

The Committee supports the Administration's budget request for the Life and Microgravity Sciences and Applications mission since much of the research associated with these activities are targeted to the International Space Station.

The Committee recommendation has provided \$2,000,000 for a center on life in extreme thermal environments at Montana State University in Bozeman. It is expected that NASA will include funding for this research as part of the fiscal year 2001 Budget.

Aero-Space Technology.—The Committee has provided \$1,106,500,000 for Aero-Space Technology. This amount is \$100,000,000 above the President's budget request.

The objective of the Aero-Space Technology Mission is to pioneer long-term, high-risk, high-payoff technologies that are effectively transferred to industry and Government. The program's technology goals are grouped into three areas to reflect the national priorities for aeronautics and space: global civil aviation; revolutionary technology leaps; and access to space. The Aeronautics and Space Transportation Technology Program includes: Aeronautics, that addresses critical aeronautical safety, environmental, airspace productivity, and aircraft performance needs at national and global levels; space transportation technology, that will develop technology for the next generation space transportation system, with a target of reducing vehicle development and operational costs dramatically; and commercial technology, that consists of conducting a continuous inventory of newly developed NASA technologies, maintaining a searchable data base of this inventory, assessing the commercial value of each technology, disseminating knowledge of these NASA technology opportunities to the private sector, and supporting an efficient system for licensing NASA technologies to private companies. This program also includes the operation of the

Small Business Innovation Research Program which is designed to enhance NASA's use of small business technology innovators.

While the Committee supports NASA's budget for the Aeronautical Research and Technology mission, the Committee is concerned with the termination of the High-Speed Research and Advanced Subsonic Technology programs and requests that the Office of Science and Technology Policy independently review this decision and report to the Committee no later than July 1, 2000 on the impact these terminations will have on aviation safety and the aviation industry in the United States. NASA also is directed to report to the Committee on what steps NASA is taking to ensure that the information gained in these programs is preserved and not lost because of these terminations.

The Committee urges NASA to work with the Federal Aviation Administration and the Airworthiness Assurance Center for Excellence (AACE) on the use of composite materials in aircraft. Because of the increasing use of composite materials in aircraft, it is important to increase our understanding of structural degradation due to long-term use and aging.

The Committee also is concerned about the potential safety risks of poor aircraft cabin air quality on flight crews, particularly as air contamination stemming from neurotoxins found in lubricants and hydraulic fluids affects a pilot's ability to operate safely commercial aircraft. Therefore, the Committee has provided \$500,000 to conduct a study of aircraft cabin air quality at the Education and Research Center for Occupational Safety and Health in Baltimore, Maryland. In addition, the Committee directs NASA to work with the Center to expand the Aviation Safety Reporting System to include data on health complaints related to air travel. The Committee expects NASA to include funding for continuation of this important study in its fiscal year 2001 budget request.

The Committee intends that the Ultra Efficient Engine Technology program be funded at the President's budget.

The Committee includes \$3,000,000 for enhanced visions system technology development.

The Committee recommendation supports the President's budget request for the independent verification and validation [IV&V] facility and \$7,200,000 for the National Technology Transfer Center.

Beyond the key issue of safety for all astronauts in NASA's Space Shuttle program, the highest priority at NASA must be the development of new aero-space technologies that will allow inexpensive access to space, and move NASA closer to a true partnering with the private sector that will allow for the commercialization of space. Within the Advanced Space Transportation Technology program, NASA is developing new technologies in conjunction with the aerospace industry to reduce dramatically launch costs, improve the safety and reliability of current launch vehicles as well as expand our concepts of next generation launch vehicles, and improve the performance of in-space transportation systems to reduce the cost of space missions.

NASA is currently working with industry to develop a reusable launch vehicle (RLV) program that would be considered as a replacement program for the shuttle. Nevertheless, because of setbacks within this program, NASA has been unable to make a deci-

sion on the future of the shuttle, with the shuttle now expected to remain the primary manned space vehicle through at least the end of the first decade of the 21st century. Nevertheless, the Committee is encouraged by NASA's and industry's efforts to develop alternate space transportation technologies that will move us past the frontier of space. And despite the challenges of the X-33 and X-34 programs, the Committee supports these programs as well as the other X vehicle programs.

Moreover, the Committee is aware that, over the last decade, the United States commercial space launch industry has lost its technological advantage, and now holds only 30 percent of the worldwide space launch market. This reduction in the use of U.S. launch capability is the direct result of the high cost of U.S. commercial space transportation relative to subsidized foreign competition. The growth of commercial space opportunities will be critical to our Nation's economic health and national security in the next millennium. NASA's Future Planning strategy envisions a reduction in space transportation costs by at least ten-fold in 10 years, and up to one hundred-fold within 25 years. In order to reach the factor of a one hundred-fold reduction in the cost of space access, important investments must be made now in leap-ahead technologies, detailed hardware design and facility enhancements. These leap-ahead technology investments will be incorporated into NASA's Space Transportation Architecture Roadmap to support future decisions on third- and fourth-generation reusable launch vehicle technologies. To support these efforts and related activities, the Committee directs NASA to provide an additional \$110,000,000 for the Aero-Space Technology Program for the design, development and testing of future launch technologies, including ultra-efficient engines and advanced structures and materials.

The Committee urges NASA to continue support of the Environmental Research Aircraft and Sensor Technology (ERAST) program, including the solar-electric airplane program (Centurion/Helios). The technologies obtained through these aircraft will assist in reducing the cost of access to space. The Committee urges NASA to continue its flight testing missions of the solar electric aircraft in Hawaii at the Pacific Missile Range Facility (PMFR). Existing infrastructure at the PMFR, the Maui High Performance Computing Center, the Pacific Disaster Center, the Air Force Maui Optical Site, the University of Hawaii and others, are well suited to support collaborative efforts with NASA toward opening new air and space frontiers.

NASA has determined that facilities located in New Mexico are well-suited for the unpowered vehicle flights and stationary vehicle propulsion testing of the X-34 program. NASA plans to conduct five unpowered X-34 flights at White Sands to validate key X-34 control systems. These flights will be entirely within White Sands air space. The differential Global Positioning System (GPS) ground stations supporting planned X-34 tests will remain at White Sands Space Harbor (WSSH) for use in later programs. Horizontal stationary propulsion system firings of the X-34 Main Propulsion System will be conducted at the Horizontal Test Facility at Holloman Air Force Base (HAFB). Two X-34 vehicles will be tested—first the

A-2, and later the A-3. Horizontal Test Facility upgrades at HAFB will also remain at that location.

The HAFB runway will be used only for the L-1011 takeoff and landings, whereas all X-34 landings will be at WSSH. White Sands will be included as an alternative in the Environmental Impact Statement (EIS) addressing proposed X-34 powered flights that NASA is preparing. The EIS will document the environmental impacts of X-34 powered flights for the alternatives considered. The EIS may also constitute a step towards establishing the feasibility and desirability of flight testing other future NASA experimental vehicles in New Mexico.

Mission Communications Services and Academic Programs.—The Committee has included \$1,500,000 for ongoing NASA aerospace projects at MSE-Technology Applications, Western Environmental Technology Office, Butte, MT, to allow the continuation of ongoing research and development projects on high-priority aerospace technology; and \$2,000,000 for MSU in Bozeman, MT, to carry out research into advanced hardware and software technologies for development of advanced optoelectronic materials. The Committee expects NASA to include these research endeavors to be included in the fiscal year 2001 budget.

The Committee has provided \$120,000,000 for academic programs. This amount is \$20,000,000 above the President's budget request.

The objective of NASA's academic programs is to promote excellence in America's education system through enhancing and expanding scientific and technological competence. Activities conducted within academic programs capture the interest of students in science and technology, develop talented students at the undergraduate and graduate levels, provide research opportunities for students and faculty members at NASA centers, and strengthen and enhance the research capabilities of the Nation's colleges and universities. NASA's education programs span from the elementary through graduate levels, and are directed at students and faculty. Academic programs includes the Minority University Research Program, which expands opportunities for talented students from underrepresented groups who are pursuing degrees in science and engineering, and to strengthen the research capabilities of minority universities and colleges.

The Committee has included \$19,100,000 for the National Space Grant College and Fellowship Program. This funding is the same as the fiscal year 1999 level, but \$5,600,000 more than the President's request for fiscal year 2000. This program is a valuable tool in developing educational partnerships in support of science, mathematics, technology, engineering and geography. NASA is directed to prioritize funding to lower tier "phase 2" programs to enable these programs to meet "designated" status.

The Committee recommendation has included \$12,000,000 for the NASA EPSCoR Program, \$7,400,000 above the budget request and \$2,000,000 over the fiscal year 1999 level. The Committee expects NASA to conduct a new solicitation in fiscal year 2000. It also expects NASA EPSCoR to support a broad range of research areas in each EPSCoR State, drawn from Earth science, space science, aeronautics and space transportation technology, and human explo-

ration and development of space, and to distribute the awards, competitively, to the largest number of eligible States possible.

The Committee has provided \$36,200,000 for NASA's minority university research and education activities. This amount is the same as the fiscal year 1999 enacted level and \$8,200,000 above the President's budget request. These funds should be allocated in the same proportion as last year's funds were allocated in order to strengthen graduate science, mathematics, engineering, and technology education at historically black colleges and universities. The Committee notes that African-Americans are severely underrepresented at the doctoral level in many sciences, mathematics, engineering, and technology fields.

The Committee recommendation has provided \$2,000,000 for the NASA International Earth Observing System [EOS] Natural Resource Training Center at the University of Montana, Missoula, MT; \$1,500,000 for the Franklin Institute to develop a national model planetarium for Fels planetarium; \$2,300,000 for the Jason Foundation for the development of an education program for school children on the exploration of space; \$2,000,000 for the institute for research in commercial remote sensing applications at the University of Missouri-Columbia; \$2,500,000 for the Bishop Museum/Mauna Kea Astronomy Education Center; \$2,500,000 for the completion of a science learning center in Kenai, AK; \$5,000,000 for the National Center for Space Research and Technology, a continuing partnership between NASA and the University of Alabama at Huntsville; the full-budget request of \$2,000,000 for the classroom of the future; \$1,000,000 for the pipelines project at Iowa State University/Southern University—Baton Rouge; \$1,000,000 for the Chabot Observatory and Science Center, Oakland, CA; \$4,000,000 for an education and visitor center for the Green Bank Radio Astronomy Observatory; \$14,000,000 for infrastructure needs for the Life Sciences building at the University of Missouri-Columbia; \$1,000,000 for the development of the Spelman College Science Center; and \$1,000,000 for the Field Museum for the "Underground Adventure," an outreach exhibit using satellite and internet communication to educate schools and communities about soil ecosystems, soil conservation, and sustainable agriculture; and the full budget request of \$2,000,000 for the Classroom of the Future. NASA is directed to make appropriate adjustments within each of the six identified enterprises within this account to accommodate the stated funding priorities in this paragraph and submit these adjustments as part of its fiscal year 2000 operating plan.

The Committee includes \$2,000,000 for the Lewis and Clark Rediscovery Web Technology Project which will provide K-12 and university level teachers in internet and interactive web teaching technologies through a partnership between the University of Idaho, Wheeling Jesuit College and the University of Montana.

MISSION SUPPORT

Appropriations, 1999	\$2,511,000,000
Budget estimate, 2000	2,494,900,000
Committee recommendation	2,495,000,000

PROGRAM DESCRIPTION

This appropriation provides for mission support including safety, reliability, and mission assurance activities supporting agency programs; space communications services for NASA programs; salaries and related expenses in support of research in NASA field installations; design, repair, rehabilitation and modification of institutional facilities, and construction of new institutional facilities; and other operations activities supporting conduct of agency programs.

Funds provided in the "Mission support" account pay for NASA civil service salary and related expenses, travel, construction of facilities, and research operations support [ROS] contractors.

COMMITTEE RECOMMENDATION

The Committee has provided \$2,495,000,000 for mission support activities. This amount is \$100,000 above the President's budget request for these activities.

The Committee supports the budget request for test facility modernization and other enhancements at Stennis as a center of excellence for propulsion testing in support of growing test requirements of both government and commercial propulsion programs. Also supported is funding for modifications to the A-2 test stand at Stennis in support of the Space Shuttle Main Engine program, for modernizing and improving data acquisition and control systems, critical spare valves and other components at Stennis, and for upgrading and maintaining test support infrastructure.

OFFICE OF INSPECTOR GENERAL

Appropriations, 1999	\$20,000,000
Budget estimate, 2000	20,800,000
Committee recommendation	20,000,000

PROGRAM DESCRIPTION

The Office of Inspector General was established by the Inspector General Act of 1978. The Office is responsible for providing agency-wide audit and investigative functions to identify and correct management and administrative deficiencies which create conditions for existing or potential instances of fraud, waste, and mismanagement.

COMMITTEE RECOMMENDATION

The Committee recommends \$20,000,000 for fiscal year 2000, \$800,000 below the President's budget request. The Committee believes that the NASA IG must be much more proactive in identifying areas of concern at NASA as well as alerting Congress with regard to these concerns. The Committee directs the NASA IG to prioritize its activities to ensure the security of NASA programs and technologies and to ensure the appropriate use of funds by NASA contractors and grantees. In particular, there are significant costs overrun and expensing issues associated with the International Space Station as well as a number of other programs. It is critical that controls be instituted that ensure that all costs are appropriate and that NASA is receiving an adequate return on these taxpayer investments.

ADMINISTRATIVE PROVISIONS

The Committee recommendation includes a series of provisions, proposed by the administration, which are largely technical in nature, concerning the availability of funds. These provisions have been carried in prior-year appropriation acts.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

	Direct loan limitation	Administrative expenses
Appropriations, 1999	\$600,000,000	\$176,000
Budget estimate, 2000	600,000,000	257,000
Committee recommendation .....	.....	257,000

PROGRAM DESCRIPTION

The National Credit Union Administration [NCUA] Central Liquidity Facility [CLF] was created by the National Credit Union Central Liquidity Facility Act (Public Law 95–630) as a mixed-ownership Government corporation within the National Credit Union Administration. It is managed by the National Credit Union Administration Board and is owned by its member credit unions.

The purpose of the facility is to improve the general financial stability of credit unions by meeting their seasonal and emergency liquidity needs and thereby encourage savings, support consumer and mortgage lending, and provide basic financial resources to all segments of the economy. To become eligible for facility services, credit unions invest in the capital stock of the facility, and the facility uses the proceeds of such investments and the proceeds of borrowed funds to meet the liquidity needs of credit unions. The primary sources of funds for the facility are the stock subscriptions from credit unions and borrowings.

The facility may borrow funds from any source, with the amount of borrowing limited by Public Law 95–630 to 12 times the amount of subscribed capital stock and surplus.

Loans are available to meet short-term requirements for funds attributable to emergency outflows from managerial difficulties or local economic downturns. Seasonal credit is also provided to accommodate fluctuations caused by cyclical changes in such areas as agriculture, education, and retail business. Loans can also be made to offset protracted credit problems caused by factors such as regional economic decline.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of limiting administrative expenses for the Central Liquidity Fund [CLF] to \$257,000 in fiscal year 2000. This legislation does not provide a limitation on the principal amount of new direct loans to member credit unions since the cap was increased to \$18,600,000,000 for fiscal year 2000 in the fiscal year 1999 Emergency Supplemental Appropriations bill. The cap was lifted in that bill solely to provide

adequate time for planning and available funds to address any Y2K concerns, however unlikely.

NATIONAL SCIENCE FOUNDATION

Appropriations, 1999	\$3,671,200,000
Budget estimate, 2000	3,921,450,000
Committee recommendation	3,921,450,000

GENERAL DESCRIPTION

The National Science Foundation was established as an independent agency by the National Science Foundation Act of 1950 (Public Law 81-507) and is authorized to support basic and applied research, science and technology policy research, and science and engineering education programs to promote the progress of science and engineering in the United States.

The Foundation supports fundamental and applied research in all major scientific and engineering disciplines, through grants, contracts, and other forms of assistance, such as cooperative agreements, awarded to more than 2,000 colleges and universities, and to nonprofit organizations and other research organizations in all parts of the United States. The Foundation also supports major national and international programs and research facilities.

COMMITTEE RECOMMENDATION

The Committee recommends \$3,921,450,000 for the National Science Foundation for fiscal year 2000. This amount is \$250,250,000 more than the fiscal year 1999 enacted level and the same as the budget request.

RESEARCH AND RELATED ACTIVITIES

Appropriations, 1999	\$2,770,000,000
Budget estimate, 2000	3,004,000,000
Committee recommendation	3,007,300,000

PROGRAM DESCRIPTION

The research and related activities appropriation addresses Foundation goals to enable the United States to uphold world leadership in all aspects of science and engineering, and to promote the discovery, integration, dissemination, and employment of new knowledge in service to society. Research activities will contribute to the achievement of these goals through expansion of the knowledge base; integration of research and education; stimulation of knowledge transfer among academia and the public and private sectors; and bringing the perspectives of many disciplines to bear on complex problems important to the Nation.

The Foundation's discipline-oriented research programs are: biological sciences; computer and information science and engineering; engineering; geosciences; mathematical and physical sciences; and social, behavioral and economic sciences. Also included are U.S. polar research programs, U.S. antarctic logistical support activities, and the Science and Technology Policy Institute.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,007,300,000 for research and related activities. This amount is \$237,300,000 above the fiscal year 1999 enacted level and \$3,300,000 more than the budget request. The Committee recommendation also includes \$55,000,000 for the Experimental Program to Stimulate Competitive Research, which is transferred from the Education and Human Resources account.

The Committee commends the agency for establishing national goals in the areas of information technology, biocomplexity, and education. The Committee also applauds NSF's recent efforts to provide a budget justification for fiscal year 2000 that meets the requirements of the Government Performance and Results Act. NSF should continue these efforts by working with the Office of Inspector General and General Accounting Office to ensure full compliance with the Results Act.

While the Committee has been a consistent strong supporter of NSF's role in advancing computer and information science engineering research and development, the Committee has numerous concerns about the Administration's information technology initiative dubbed "Information Technology for the 21st Century" or IT². This six-agency initiative where NSF has been designated as the lead agency would significantly boost the federal government's funding for software research, terascale computing equipment development, and understanding the social, economic, and workforce impact of information technologies. The Committee is concerned about creating a major new structure within NSF when the agency already has existing structures that can be used to boost information technology research. NSF's involvement in information technology activities totaled almost \$700,000,000 in fiscal year 1999 alone. Many of the activities proposed under IT² are already currently funded through existing federal programs such as the Next Generation Initiative (NGI), High Performance Computing and Communications (HPCC) initiative, NSF's Knowledge and Distributed Intelligence (KDI) program, and other activities under NSF's Computer and Information Science and Engineering (CISE) directorate.

The Committee is also concerned about investing in research and development activities that the private sector may be involved in. The President's Information Technology Advisory Committee (PITAC) recently noted that "Federal R&D programs must be well designed and must not subsidize activities best left to the private sector." It is unclear how the Administration's initiative would address these concerns.

Lastly, the Committee is concerned about NSF's ability to administer a major multiagency initiative. As part of a recent "management challenges" letter, the NSF Inspector General (IG) raised concerns about substantially increasing the role of NSF in administering new programs such as IT². The IG also raised concerns about the ability of NSF program staff to fulfill its oversight responsibilities due to the high workload and lack of adequate travel funds. While the Committee does not have any significant concerns about NSF's ability to manage its current activities and believes

that NSF's financial operations are sound, the Committee believes that NSF needs to review carefully its current management structure, staff resources, and support needs such as travel funds before embarking on major new initiatives such as IT².

Given the budget constraints and the Committee's concerns about the information technology initiative, no funding is provided for IT² in fiscal year 2000. The Committee, however, remains very supportive of NSF's current basic research efforts in the information technology area and recommends an additional \$100,000,000 to enhance NSF's computer and information science and engineering activities consistent with the PITAC recommendations in its February 1999 report. The Committee expects NSF to use these additional funds in the area of software research and scalable information infrastructure, such as the Next Generation Internet (NGI) initiative. NSF also should use these additional funds for fundamental research on software design, stability, security, and reliability and for acquiring high-end computing equipment. The Committee recommends that NSF utilize its existing Partnerships for Advanced Computational Infrastructure (PACI) program in developing new computer hardware equipment and for testing new software designs. The Committee also encourages NSF to continue its efforts under the NGI program in providing high-speed networking access to remote and hard to reach areas such as those in Alaska, Hawaii, and rural states like Montana and Missouri.

The Committee expects the Foundation's fiscal year 2000 operating plan will outline the distribution of these additional resources within the existing subactivities of the computer and information science and engineering activity in a manner that is consistent with the PITAC report.

The Committee also supports NSF funding of longer term and larger sized grants than what is typically funded. Many investigators have complained about the size of NSF research grants and the administrative burden associated with grant applications. Further, PITAC has raised concerns that "promising long-term research is being passed over in order to meet the goals of short-term technology development." Therefore, the Committee expects NSF to address these concerns by using at least 25 percent of these additional funds for grants that are of a minimum of 3 years in duration and a minimum funding level of \$750,000 per grant and to focus these grants on long-term research and technology development. The Committee further directs NSF to provide an update on the types of research funded by the CISE directorate, including the KDI program, the impact of providing these longer term and larger size grants, and a five-year strategic plan detailing the information technology areas of research and estimated funding needs. This report should be provided by January 21, 2000.

The Committee is also concerned about the impact of information technology on society and the economy. While it is clear that there are significant benefits to on-going advances in information technology, the incredible pace of new technologies may create problems that we have yet to identify. For example, one area identified by PITAC is privacy. As noted by the PITAC report, personal information can be beneficial to various service providers but its benefits can be severely limited if individuals cannot be guaranteed that

their information is truly protected. The Committee is providing an additional \$5,000,000 to the CISE Directorate's existing "Computing and Social Impact" program to study privacy and access to information and to further our understanding of the impact information technology advances have on issues that are of significant societal, ethical, and economical importance.

Since its inception in fiscal year 1998, the Plant Genome Research Program has already made great advances in understanding the structure, organization, and function of the genomes of economically significant plants that are important to our economic and environment interests. The Committee has been a strong supporter of this important program and commends the Administration for its continued support. Data from NSF has revealed a growing interest and competition in the plant genome program. Further, the number and quality of grant proposals seem to be higher according to NSF. For fiscal year 1999, 72 full proposals requesting approximately \$339,000,000 have been received by NSF for this program. Due to the growing interest and success of this program, the Committee has included an additional \$10,000,000 to the program to meet this important need. This would boost program funding to a total of \$60,000,000.

To complement the plant genome program and the growth and advances in biotechnology, the Committee is also supportive of NSF's "biocomplexity in the environment" activities in fostering research in environmental science, engineering, and education. NSF's proposal to expand this focused multi-disciplinary initiative is of great interest to the Committee. This field of research may help advance our understanding of environmental systems and its role in vital natural resources. An interdisciplinary approach that encompasses a wide range of fields such as biology, chemistry, and engineering greatly enhances our ability to understand the makeup of plants and may lead to new biotechnology advances that will help transform crops into hardier, pest-resistant crops. The Committee has included \$50,000,000 for the biocomplexity initiative as requested by the Administration. The Committee expects NSF to work with institutions that have close ties to the biotechnology industry and evidence of interdisciplinary efforts in the molecular biosciences.

As discussed in previous years, the Committee is concerned about how NSF funds are distributed to universities and colleges, as well as to various areas of the country. A recent NSF survey of Federal research and development funds indicated that the top 50 recipients of university-based research received about 60 percent of all available Federal research dollars. These large institutions also received a large amount of federal funds to manage research and development centers for various Federal agencies. PITAC's recent report raised the importance of promoting the full participation of institutions and individuals that are underrepresented in research opportunities. For example, high-speed network connections to advanced technology resources was cited as a way of assisting underrepresented areas and institutions participate in research partnerships. While the agency has done a commendable job in delivering high-speed network connections to underrepresented areas, the Committee encourages NSF to continue these efforts.

Accordingly, the Committee has included a provision to create a focal point for support and outreach to institutions that do not normally fall in the top 50 in federal research and development support. This new office, which will include the highly successful Experimental Program to Stimulate Competitive Research (EPSCoR), is to focus on increasing the Foundation's competitive, merit-based support and outreach to these smaller institutions. The Committee expects NSF to build on its current programmatic and outreach efforts to improve the participation of these institutions and states. The Committee expects the Foundation to submit a detailed proposal for the innovation partnership activity as part of the fiscal year 2000 operating plan.

To startup this new office, the Committee has provided \$10,000,000 to this new entity and \$55,000,000 to the EPSCoR program. The Committee also supports the co-funding proposal of the Foundation in which the EPSCoR funding is leveraged with an additional \$10,000,000 to \$15,000,000 from within the disciplinary research programs of the Foundation.

The Committee remains committed to the U.S. Arctic Research Program and recommends \$25,000,000 for arctic logistics needs. These funds are to be provided directly to the Arctic Research Commission, which will be responsible for allocating arctic logistics funds. The Committee expects NSF to build on the funding increases in fiscal year 1999 and complement the logistical and science support provided from the agency's Polar Programs and other NSF activities. The Committee also expects NSF to continue its funding in arctic logistics and research needs that are consistent with the 1997 U.S. Arctic Research Commission report, *Logistics Recommendations for an Improved U.S. Arctic Research Capability*.

The Committee strongly supports NSF's participation in the National Oceanographic Partnership Program (NOPP). The Committee recommends that up to \$5,000,000 be made available for NOPP-related activities for fiscal year 2000. The Committee also recommends that NSF and other NOPP partner agencies continue to provide an appropriate level of operational support for meritorious ocean science research projects, including NOPP-related activities.

The Committee continues to be a strong supporter of NSF's astronomical sciences research program and supports the Administration's budget requests of \$32,500,000 for the National Radio Astronomy Observatory (NRAO) and \$29,700,000 for the National Optical Astronomy Observatories (NOAO). The Committee supports NSF's proposal to use the NRAO funds to enhance support for operations and maintenance and development of new instrumentation at the Very Large Array and the Very Long Baseline Array in New Mexico and to continue the construction of the Greenbank Telescope in West Virginia. The Committee also supports NSF's plans to use the requested NOAO funds for the National Solar Observatory at Sacramento Peak, New Mexico.

The Committee remains concerned about NSF's merit-review process and directs NSF to provide \$750,000 to the National Academy of Public Administration (NAPA) to carry out a review of the merit-review process. The Committee further directs NAPA to consult with the Committee in establishing the parameters of this re-

view. NSF is directed to cooperate fully with NAPA to meet these parameters.

While the Committee recognizes the many benefits from NSF funded research in the social, behavioral, and economic (SBE) sciences area, the Committee is concerned about funding certain activities that may be duplicating research more appropriately funded by other agencies. The Committee is especially concerned about funding research in economic and related fields that is also funded by agencies devoted to studies of the economy, such as the Federal Reserve Board. A recent study found that economists who received NSF funding published no more new articles than their peers who did not receive NSF funding. The study did recognize that the productivity of investigators early in their careers seemed to increase with NSF funding and the Committee urges NSF to support these young investigators.

The Committee encourages NSF to review its SBE research activities and to focus its funding towards activities more directly related to NSF's core mission of promoting an understanding of the physical sciences. The Committee recognizes the promise of breakthroughs in a number of particular behavioral and social science areas such as learning and memory, visual and auditory perception, behavioral and cognitive neuroscience, social cognition, decision making, and human development and strongly supports NSF's proposed plans to increase funding for this area. The Committee directs NSF to provide a report on the status of its social, behavioral, and economic sciences research by February 3, 2000.

The Committee is aware that in March 2002 the lease for the R/V Nathaniel B. Palmer, an Antarctic research vessel, will terminate. As such, a procurement for its possible replacement will need to take place in fiscal year 2000. The Committee has included bill language that will ensure a fair competition with respect to this upcoming procurement. The language is similar to provisions enacted previously by the Congress concerning the procurements of the R/V Nathaniel B. Palmer and the R/V Laurence M. Gould.

Finally, the Committee notes that the National Science Board has recently formed a task force that will, among other things, review the NSF role in fostering international cooperation in fundamental science and engineering research and education. The Committee believes that fostering international cooperation in science and engineering is an important issue, and looks forward to reviewing the Board's recommendations for the Foundation when they are ultimately released. In the meantime, the Committee urges NSF to look for ways to strengthen its activities with respect to international cooperation in research and education.

MAJOR RESEARCH EQUIPMENT

Appropriations, 1999	\$90,000,000
Budget estimate, 2000	85,000,000
Committee recommendation	70,000,000

PROGRAM DESCRIPTION

The major research equipment activity will support the acquisition, construction and procurement of unique national research platforms, research resources and major research equipment.

Projects supported by this appropriation will push the boundaries of technological design and will offer significant expansion of opportunities, often in new directions, for the science and engineering community.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$70,000,000 for major research equipment. This amount is \$20,000,000 less than the fiscal year 1999 enacted level and \$15,000,000 below the budget request.

The Committee has provided the request for the continued polar support aircraft upgrades and south pole station modernization efforts. The Committee has also provided funding for the Large Hadron Collider and the Millimeter Array. The Committee has also provided \$21,000,000 for Terascale Computing Systems and \$7,700,000 for the Network for Earthquake Engineering Simulation.

EDUCATION AND HUMAN RESOURCES

Appropriations, 1999	\$662,000,000
Budget estimate, 2000	678,000,000
Committee recommendation	688,600,000

PROGRAM DESCRIPTION

Education and human resources activities provide a comprehensive set of programs across all levels of education in science, mathematics, and technology. At the precollege level, the appropriation provides for new instructional material and techniques, and enrichment activities for teachers and students. Undergraduate initiatives support curriculum improvement, facility enhancement, and advanced technological education. Graduate level support is directed primarily to research fellowships and traineeships. Emphasis is given to systemic reform through components that address urban, rural, and statewide efforts in precollege education, and programs which seek to broaden the participation of States and regions in science and engineering.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$688,600,000 for education and human resources (EHR). This amount is \$26,600,000 more than the fiscal year 1999 level and \$10,600,000 more than the budget request. The Committee also notes that NSF expects to receive an additional \$30,000,000 from the H-1B Visa account which will further supplement its EHR activities.

The Committee is troubled by the latest NSF report on women, minorities, and persons with disabilities in science and engineering. While the report cites some significant progress in some areas such as women receiving engineering doctoral degrees, there continues to be a concern with minority women in science and engineering fields. The Committee encourages NSF to address these problems.

The Committee has been a strong supporter of historically black colleges and universities and continues its support by providing \$8,000,000 for grants to these institutions under the underrep-

resented population undergraduate reform initiative. These funds are to be matched by an additional \$2,000,000 in funds from the research and related activities account for a total funding level of \$10,000,000 in fiscal year 2000.

The Committee also supports NSF's programs targeted to aid minority students entering the fields of mathematics, science and engineering. The Committee urges NSF to provide adequate funding for the following programs: Louis Stokes Alliance for Minority Participation; the Border Rural Systemic Initiative; the Regional Alliance for Science, Engineering, and Mathematics for Students with Disabilities; and the Collaborative for Excellence in Teacher Preparation Program.

The Committee also strongly supports the informal science education (ISE) program. This program has acted as a catalyst for increasing the public's appreciation and understanding of science and technology in settings such as science centers, museums, zoos, aquariums, and public television. The ISE program has also been involved in the professional development of science teachers. The Committee supports NSF's continued support for this program and its fiscal year 2000 focus on increasing access to informal learning opportunities in inner cities and rural areas that have not been exposed to science and technology. The Committee continues its support for this program by providing \$50,000,000 and urges NSF to expand its program to underserved areas.

SALARIES AND EXPENSES

Appropriations, 1999	\$144,000,000
Budget estimate, 2000	149,000,000
Committee recommendation	150,000,000

PROGRAM DESCRIPTION

The salaries and expenses appropriation provides for the operation, management, and direction of all Foundation programs and activities and includes necessary funds to develop and coordinate NSF programs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$150,000,000 for salaries and expenses. The increase of \$1,000,000 above the budget request is provided in response to concerns raised by the IG regarding the lack of available travel funds for NSF program officers in overseeing grant awards effectively. The Committee directs NSF to fund program travel only from its salaries and expenses account and not use program funds for travel purposes.

OFFICE OF INSPECTOR GENERAL

Appropriations, 1999	\$5,200,000
Budget estimate, 2000	5,450,000
Committee recommendation	5,550,000

PROGRAM DESCRIPTION

The Office of Inspector General appropriation provides audit and investigation functions to identify and correct deficiencies which

could create potential instances of fraud, waste, or mismanagement.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$5,550,000 for the Office of Inspector General in fiscal year 2000. This amount is \$350,000 more than the fiscal year 1999 enacted level and \$100,000 more than the budget request. The Committee is providing these additional funds to support the work of the Office of Inspector General in the areas of cost-sharing, indirect costs, and misconduct in scientific research.

NEIGHBORHOOD REINVESTMENT CORPORATION

Appropriations, 1999	\$90,000,000
Budget estimate, 2000	90,000,000
Committee recommendation	60,000,000

PROGRAM DESCRIPTION

The Neighborhood Reinvestment Corporation was created by the Neighborhood Reinvestment Corporation Act (title VI of the Housing and Community Development Amendments of 1978, Public Law 95-557, October 31, 1978). Neighborhood Reinvestment helps local communities establish working partnerships between residents and representatives of the public and private sectors. The partnership-based organizations are independent, tax-exempt, nonprofit entities: often known as Neighborhood Housing Services [NHS] or mutual housing associations. Collectively, these organizations are known as the NeighborWorks® network.

Nationally, the 184 NeighborWorks® organizations serve 825 communities in 45 states. Of the neighborhoods, 70 percent of the people served are in the very low and low-income brackets.

The NeighborWorks® network improves the quality of life in distressed neighborhoods for current residents, increases homeownership through targeted lending efforts, exerts a long-term, stabilizing influence on the neighborhood business environment, and reverses neighborhood decline. NeighborWorks® organizations have been positively impacting urban communities for over two decades, and more recent experience is demonstrating the success of this approach in rural communities when adequate resources are available.

Neighborhood Reinvestment will continue to provide grants to Neighborhood Housing Services of America [NHSA], the NeighborWorks® network's national secondary market. The mission of NHSA is to utilize private sector support to replenish local NeighborWorks® organizations' revolving loan funds. These loans are used to back securities which are placed with private sector social investors.

COMMITTEE RECOMMENDATION

The Committee recommends \$60,000,000 for the Neighborhood Reinvestment Corporation, \$30,000,000 less than the budget request and the fiscal year 1999 enacted level. This recommendation matches the Corporation's fiscal year 1998 funding level prior to

the initiation of two demonstration programs that were to be completed by the end of fiscal year 1999.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

Appropriations, 1999	\$24,176,000
Budget estimate, 2000	25,250,000
Committee recommendation	25,250,000

PROGRAM DESCRIPTION

The Selective Service System [SSS] was reestablished by the Selective Service Act of 1948. The basic mission of the System is to be prepared to supply manpower to the Armed Forces adequate to ensure the security of the United States during a time of national emergency. Since 1973, the Armed Forces have relied on volunteers to fill military manpower requirements. However, the Selective Service System remains the primary vehicle by which men will be brought into the military if Congress and the President should authorize a return to the draft.

In December 1987, Selective Service was tasked by law (Public Law 100-180, sec. 715) to develop plans for a postmobilization health care personnel delivery system capable of providing the necessary critically skilled health care personnel to the Armed Forces in time of emergency. An automated system capable of handling mass registration and inductions is now complete, together with necessary draft legislation, a draft Presidential proclamation, prototype forms and letters, et cetera. These products will be available should the need arise. The development of supplemental standby products, such as a compliance system for health care personnel, continues using very limited existing resources.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$25,250,000 for the Selective Service System. This amount is the same as the budget request for fiscal year 2000 and an increase of \$1,074,000 over the fiscal year 1999 enacted level.

TITLE IV—GENERAL PROVISIONS

The Committee recommends inclusion of 25 general provisions previously enacted in the 1999 appropriations act. They are standard limitations which have been carried in the VA, HUD, and Independent Agencies appropriations bill in the past. There is an additional requirement that HUD operate within its budget estimates and its appropriation. There also are two amendments to the Fair Housing Act that would give publications 72 hours to take remedial action where a published item is alleged to be discriminatory. After 72 hours, civil or administrative enforcement may be pursued. In addition, the bill prohibits the use of funds for litigation or lobbying. Finally, a provision would exempt state and local law enforcement agencies from responsibility for the clean-up of methamphetamine sites.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI, OF THE
STANDING RULES OF THE SENATE

Paragraph 7 of Rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill “which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.”

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Housing Certificate Fund: \$11,051,135,000.
Fair housing activities: \$40,000.
HOME Investment Partnerships Program: \$1,600,000.
Indian housing loan guarantee fund: \$6,000.
Government National Mortgage Association (credit limitation):
\$200,000,000,000.
Homeless assistance grants: \$1,020,000,000.
Community development block grants: \$4,800,000,000.
Rural housing and economic development: \$25,000,000.

DEPARTMENT OF THE TREASURY

Community Development Financial Institutions Fund:
\$80,000,000.

CONSUMER PRODUCT SAFETY COMMISSION

Salaries and expenses: \$49,500,000.

ENVIRONMENTAL PROTECTION AGENCY

Environmental programs and management: \$1,885,000,000.
Science and technology: \$642,483,000.
State and tribal assistance grants: \$3,240,000,000.
Superfund: \$1,400,000,000.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Salaries and expenses: \$180,000,000.
Emergency management planning and assistance: \$250,850,000.
Emergency food and shelter: \$100,000,000.

GENERAL SERVICES ADMINISTRATION

Consumer Information Center: \$2,622,000.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

International space station: \$2,482,700,000.
Launch vehicles and payload operations: \$3,156,000,000.

Science, aeronautics, and technology: \$5,424,700,000.
Mission support: \$2,495,000,000.

COMPLIANCE WITH PARAGRAPH 7(C), RULE XXVI OF THE
STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, the Committee ordered reported, S. 1596, an original Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies appropriations bill, 2000 and subject to amendment and subject to its budget allocations, by a recorded vote of 28–0, a quorum being present. The vote was as follows:

Yeas

Nays

Chairman Stevens
Mr. Cochran
Mr. Specter
Mr. Domenici
Mr. Bond
Mr. Gorton
Mr. McConnell
Mr. Burns
Mr. Shelby
Mr. Gregg
Mr. Bennett
Mr. Campbell
Mr. Craig
Mrs. Hutchison
Mr. Kyl
Mr. Byrd
Mr. Inouye
Mr. Hollings
Mr. Leahy
Mr. Lautenberg
Mr. Harkin
Ms. Mikulski
Mr. Reid
Mr. Kohl
Mrs. Murray
Mr. Dorgan
Mrs. Feinstein
Mr. Durbin

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE
STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee.”

As otherwise discussed, the dramatic and unprecedented constraints on domestic discretionary spending has made necessary inclusion of a considerable volume of legislative reforms and other changes in existing statutes in the Committee recommendation. This is particularly in evidence in title II, the Department of Housing and Urban Development portion of this bill, in which cost-saving and cost-avoidance measures for discretionary housing and community development activities require modification of programs governed a large body of detailed and complex statutory provisions.

The Committee has included substantial explanatory material in this report which attempts to detail fully both the intent and practical effect of these statutory provisions. In view of the extensive nature of these changes, however, preparation of a comparative print detailing each of these statutory amendments would delay prompt availability of this report. In the opinion of the Committee, it is necessary to dispense with the requirements of paragraph 12 of rule XXVI to expedite the business of the Senate.

TITLE 12—BANKS AND BANKING

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CHAPTER 42—LOW-INCOME HOUSING PRESERVATION AND RESIDENT HOMEOWNERSHIP

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SUBCHAPTER I—PREPAYMENT OF MORTGAGES INSURED UNDER NATIONAL HOUSING ACT

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§ 4113. Assistance for displaced tenants

(a) Section 1437f assistance

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(e) Regional pools

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(f) *ENHANCED VOUCHER ASSISTANCE FOR CERTAIN TENANTS.*—

(1) *AUTHORITY.*—In lieu of benefits under subsections (b), (c), and (d), and subject to the availability of appropriated amounts, each family described in paragraph (2) shall be offered enhanced voucher assistance under section 8(t) of the United States Housing Act of 1937 (42 U.S.C. 1437f(t)).

(2) *ELIGIBLE FAMILIES.*—A family described in this paragraph is a family that is—

(A) a low-income family or a moderate-income family;

(B) an elderly family, a disabled family, or residing in a low-vacancy area; and

(C) residing in eligible low-income housing on the date of the prepayment of the mortgage or voluntary termination of the insurance contract.

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TITLE 42—THE PUBLIC HEALTH AND WELFARE

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CHAPTER 45—FAIR HOUSING

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SUBCHAPTER I—GENERALLY

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§ 3610. Administrative enforcement; preliminary matters

(a) Complaints and answers

(1)(A)(i) * * *

(ii) * * *

(iii) The Secretary may also investigate housing practices to determine whether a complaint should be brought under this section. *Before filing a complaint arising under section 3604(c) of this Act, a prospective complainant shall serve on each prospective respondent a written notice that identifies the alleged violation in sufficient detail to allow remedial action by the prospective respondent. If the prospective respondent acts to cease publication of the alleged item in violation within 72 hours of receipt of the notice or prior to the next publication, whichever is greater, no administrative action arising from section 3606(c) may be brought by the prospective complainant, acting for himself or on behalf of an aggrieved person.*

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§ 3613. Enforcement by private persons

(a) Civil action

(1)(A) * * *

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(3) An aggrieved person may not commence a civil action under this subsection with respect to an alleged discriminatory housing practice which forms the basis of a charge issued by the Secretary if an administrative law judge has commenced a hearing on the record under this subchapter with respect to such charge.

(4) *An aggrieved person may not commence a civil action arising from Section 3604(c) unless the prospective complainant, acting for himself or on behalf of an aggrieved person, serves written notice on the prospective respondent identifying the alleged violation in sufficient detail to allow remedial action by the prospective respondent and the prospective respondent failed to take remedial action within 72 hours of receipt of the notice or prior to the next publication, whichever is greater.*

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NATIONAL FLOOD INSURANCE ACT OF 1968

TITLE XIII—NATIONAL FLOOD INSURANCE

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CHAPTER I—THE NATIONAL FLOOD INSURANCE PROGRAM

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FINANCING

SEC. 1309. (a) All authority which was vested in the Housing and Home Finance Administrator by virtue of section 15(e) of the Federal Flood Insurance Act of 1956 (70 Stat. 1084) (pertaining to the issue of notes or other obligations or the Secretary of the Treasury), as amended by subsections (a) and (b) of section 1303 of this Act, shall be available to the Director for the purpose of carrying out the flood insurance program under this title; except that the total amount of notes and obligations which may be issued by the Director pursuant to such authority (1) without the approval of the President, may not exceed \$500,000,000, and (2) with the approval of the President, may not exceed \$1,500,000,000 through September 30, [1999] 2000, and \$1,000,000,000 thereafter. The Director shall report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate at any time when he requests the approval of the President in accordance with the preceding sentence.

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SEC. 1376. (a) * * *

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(c) There are authorized to be appropriated such sums as may be necessary through [September 30, 1999] *September 30, 2000*, for studies under this title.

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NATIONAL HOUSING ACT

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TITLE I—HOUSING RENOVATION AND MODERNIZATION

ADMINISTRATIVE PROVISIONS

SECTION 1. The powers conferred by this Act shall be exercised by the Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary").

In order to carry out the provisions of this title and titles II, III, V, VI, VII, VIII, IX, and XI, the Secretary may establish such agencies, accept and utilize such voluntary and uncompensated services, utilize such Federal officers and employees, and, with the consent of the State, such State and local officers and employees, and appoint such other officers and employees as he may find necessary, and may prescribe their authorities, duties, responsibilities, and tenure and fix their compensation. The Secretary may delegate any of the functions and powers conferred upon him under this title and titles II, III, V, VI, VII, VIII, IX, and XI, to such officers, agents, and employees as he may designate or appoint and may make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere for law

books and books of reference, and for paper, printing, and binding) as are necessary to carry out the provisions of this title and titles II, III, V, VI, VII, VIII, IX, and XI without regard to any other provisions of law governing the expenditure of public funds. All such compensation, expenses, and allowances shall be paid out of funds made available by this Act: *Provided*, That, notwithstanding any other provisions of law except provisions of law hereafter enacted expressly in limitation hereof, all expenses of the Department of Housing and Urban Development in connection with the examination and insurance of loans or investments under any title of this Act, all properly capitalized expenditures, and other necessary expenses not attributable to general overhead in accordance with generally accepted accounting principles shall be considered non-administrative and payable from funds made available by this Act, except that, unless made pursuant to specific authorization by the Congress therefor, expenditures made in any fiscal year pursuant to this proviso, other than the payment of insurance claims and other than expenditures (including services on a contract or fee basis, but not including other personal services) in connection with the acquisition, protection, completion, operation, maintenance, improvement, or disposition of real or personal property of the Department acquired under authority of this Act, shall not exceed 35 per centum of the income received by the Department of Housing and Urban Development from premiums and fees during the preceding fiscal year. The Secretary shall, in carrying out the provisions of this title and titles II, III, V, VI, VII, VIII, IX, and XI be authorized, in his official capacity to sue and be sued in any court of competent jurisdiction, State or Federal. *For the purposes of this section, the term "nonadministrative" shall not include contract expenses that are not capitalized or routinely deducted from the proceeds of sales, and such expenses shall not be payable from funds made available by this Act.*

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INSURANCE OF MORTGAGES

SEC. 203. (a) * * *

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(b) * * *

(1) * * *

(A) * * *

(i) * * *

(ii) 87 percent of the dollar amount limitation determined under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act for a residence of the applicable size; except that the dollar amount limitation in effect for any area under this subparagraph may not be less than *the greater of the dollar amount limitation in effect for the area on the date of enactment of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999* 48 percent of the dollar limitation determined under section 305(a)(2) of the

Federal Home Loan Mortgage Corporation Act for a residence of the applicable size; and

* * * * *

RENTAL AND COOPERATIVE HOUSING FOR LOWER INCOME FAMILIES

SEC. 236. (a) * * *

* * * * *

(g) The project owner shall, as required by the Secretary, accumulate, safeguard, and periodically pay the Secretary or such other entity as determined by the Secretary and upon such terms and conditions as the Secretary deems appropriate, all rental charges collected on a unit-by-unit basis in excess of the basic rental charges. Unless otherwise directed by the Secretary, such excess charges shall be credited to a reserve used by the Secretary to make additional assistance payments as provided in paragraph (3) of subsection (f). Notwithstanding any other requirements of this subsection, an owner of a project with a mortgage insured under this section, or a project previously assisted under subsection (b) but without a mortgage insured under this section if the project mortgage was insured under section 207 of this Act before July 30, 1998 pursuant to section 223(f) of this Act and assisted under subsection (b), *or a project owner with a mortgage formerly insured under this section (if such mortgage is held by the Secretary and such project owner is current with respect to the mortgage obligation)*, may retain some or all of such excess charges for project use if authorized by the Secretary and upon such terms and conditions as established by the Secretary.

* * * * *

TITLE III—NATIONAL MORTGAGE ASSOCIATIONS

* * * * *

【PARTIAL PAYMENT OF CLAIMS ON MULTIFAMILY HOUSING PROJECTS AND HEALTH CARE FACILITIES】 *PARTIAL PAYMENT OF CLAIMS ON DEFAULTED MORTGAGES AND IN CONNECTION WITH MORTGAGE RESTRUCTURING*

SEC. 541. (a) * * *

* * * * *

(b) **EXISTING MORTGAGES.**—Notwithstanding any other provision of law, the Secretary, in connection with a mortgage restructuring under section 514 of the Multifamily Assisted Housing Reform and Affordability Act of 1997, may make a one time, non-default **【partial payment of the claim under the mortgage insurance contract】** *partial or full payment of claim under one or more mortgage insurance contracts*, which shall include a determination by the Secretary or the participating administrative entity, in accordance with the Multifamily Assisted Housing Reform and Affordability Act of 1997, of the market value of the project and a restructuring of the mortgage, under such terms and conditions as are permitted by section 517(a) of such Act.

* * * * *

UNITED STATES HOUSING ACT OF 1937, PUBLIC LAW 93-383

TITLE I—GENERAL PROGRAM OF ASSISTED HOUSING

* * * * *

LOWER INCOME HOUSING ASSISTANCE

SEC. 8. (a) * * *

* * * * *

(s) In selecting families for the provision of assistance under this section (including subsection (o)), a public housing agency may not exclude or penalize a family solely because the family resides in a public housing project.

(t) *ENHANCED VOUCHERS.*—

(1) *IN GENERAL.*—*Enhanced voucher assistance under this subsection for a family shall be voucher assistance under subsection (o), except that under such enhanced voucher assistance—*

(A) *subject only to subparagraph (D), the assisted family shall pay as rent no less than the amount the family was paying on the date of the eligibility event for the project in which the family was residing on such date;*

(B) *during any period that the assisted family continues residing in the same unit in which the family was residing on the date of the eligibility event for the project, if the rent for the dwelling unit of the family in such project exceeds the applicable payment standard established pursuant to subsection (o) for the unit, the amount of rental assistance provided on behalf of the family shall be determined using a payment standard that is equal to the rent for the dwelling unit (as such rent may be increased from time to time), subject to paragraph (10)(A) of subsection (o);*

(C) *subparagraph (B) of this paragraph shall not apply and the payment standard for the dwelling unit occupied by the family shall be determined in accordance with subsection (o) if—*

(i) *the assisted family moves, at any time, from such project; or*

(ii) *the voucher is made available for use by any family other than the original family on behalf of whom the voucher was provided; and*

(D) *if the income of the assisted family declines to a significant extent, the percentage of income paid by the family for rent shall not exceed the greater of 30 percent or the percentage of income paid at the time of the eligibility event for the project.*

(2) *ELIGIBILITY EVENT.*—*For purposes of this subsection, the term “eligibility event” means, with respect to a multifamily housing project, the prepayment of the mortgage on such housing project, the voluntary termination of the insurance contract for the mortgage for such housing project, or the termination or expiration of the contract for rental assistance under section 8 of the United States Housing Act of 1937 for such housing project, that, under paragraphs (3) and (4) of section 515(c) or*

section 524(b) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) or section 223(f) of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. 4113(f)), results in tenants in such housing project being eligible for enhanced voucher assistance under this subsection.

(3) TREATMENT OF ENHANCED VOUCHERS PROVIDED UNDER OTHER AUTHORITY.—

(A) IN GENERAL.—Notwithstanding any other provision of law, any enhanced voucher assistance provided under any authority specified in subparagraph (D) shall be treated, and subject to the same requirements, as enhanced voucher assistance under this subsection.

(B) IDENTIFICATION OF OTHER AUTHORITY.—The authority specified in this subparagraph is the authority under—

(i) the 10th, 11th, and 12th provisos under the “Preserving Existing Housing Investment” account in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (Public Law 104–204; 110 Stat. 2884), pursuant to such provisos, the first proviso under the “Housing Certificate Fund” account in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998 (Public Law 105–65; 111 Stat. 1351), or the first proviso under the “Housing Certificate Fund” account in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999 (Public Law 105–276; 112 Stat. 2469); and

(ii) paragraphs (3) and (4) of section 515(c) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note), as in effect before the enactment of this Act.

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each of fiscal years 2000, 2001, 2002, 2003, and 2004 such sums as may be necessary for enhanced voucher assistance under this subsection.

* * * * *

ELIGIBILITY FOR ASSISTED HOUSING

SEC. 16. (a) INCOME ELIGIBILITY FOR PUBLIC HOUSING.—

(1) INCOME MIX WITHIN PROJECTS.—A public housing agency may establish and utilize income-mix criteria for the selection of residents for dwelling units in public housing projects, subject to the requirements of this section

(2) PHA INCOME MIX.—

(A) TARGETING.—Except as provided in paragraph (4), of the public housing dwelling units of a public housing agency made available for occupancy in any fiscal year by eligible families, not less than 40 percent shall be occupied

by families whose incomes at the time of commencement of occupancy do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families; *except that the Secretary may establish income ceilings higher or lower than 30 percent of the area median income on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.*

* * * * *

(c) INCOME ELIGIBILITY FOR PROJECT-BASED SECTION 8 ASSISTANCE.—

(1) * * *

* * * * *

(3) TARGETING.—For each project assisted under a contract for project-based assistance, of the dwelling units that become available for occupancy in any fiscal year that are assisted under the contract, not less than 40 percent shall be available for leasing only by families whose incomes at the time of commencement of occupancy do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families; *except that the Secretary may establish income ceilings higher or lower than 30 percent of the area median income on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.*

* * * * *

CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT, PUBLIC LAW 101-625

* * * * *

TITLE II—INVESTMENT IN AFFORDABLE HOUSING

* * * * *

Subtitle A—HOME Investment Partnerships

* * * * *

SEC. 212. ELIGIBLE USES OF INVESTMENT.

(a) HOUSING USES.—

(1) IN GENERAL.—Funds made available under this subtitle may be used by participating jurisdictions to provide incentives to develop and support affordable rental housing and homeownership affordability through the acquisition, new construction, reconstruction, or moderate or substantial rehabilitation of affordable housing, including real property acquisition, site improvement, conversion, demolition, and other expenses, including financing costs, relocation expenses of any displaced persons, families, businesses, or organizations, to provide for the payment of reasonable administrative and planning costs,

to provide for the payment of operating expenses of community housing development organizations, *to preserve housing assisted or previously assisted with section 8 assistance*, and to provide tenant-based rental assistance. For the purpose of this subtitle, the term “affordable housing” includes permanent housing for disabled homeless persons, transitional housing, and single room occupancy housing.

* * * * *

CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT, PUBLIC
LAW 101–625

* * * * *

**TITLE VIII—HOUSING FOR PERSONS WITH
SPECIAL NEEDS**

* * * * *

**Subtitle D—Housing Opportunities for Persons
With AIDS**

* * * * *

SEC. 854. GENERAL AUTHORITY.

(a) * * *

* * * * *

(c) ALLOCATION OF RESOURCES.—

(1) FORMULA ALLOCATION.—The Secretary shall allocate 90 percent of the amounts approved in appropriation Acts under section 863 among States and cities whose most recent comprehensive housing affordability strategy (or abbreviated strategy) has been approved by the Secretary under section 105 of this Act. Such amounts shall be allocated as follows:

(A) 75 percent among—

(i) cities that are the most populous unit of general local government in a metropolitan statistical area having a population greater than 500,000 and more than 1,500 cases of acquired immunodeficiency syndrome; and

(ii) States with more than 1,500 cases of acquired immunodeficiency syndrome outside of metropolitan statistical areas described in clause (i), *or States that received an allocation under this clause in a prior fiscal year*; and

(B) 25 percent among cities that (i) are the most populous unit of general local government in a metropolitan statistical area having a population greater than 500,000 and more than 1,500 cases of acquired immunodeficiency syndrome, and (ii) have a higher than average per capita incidence of acquired immunodeficiency syndrome.

A single city may receive assistance allocated under subparagraph (A) and subparagraph (B). For purposes of allocating amounts under this paragraph for any fiscal year, the number

of cases of acquired immunodeficiency syndrome shall be the number of such cases reported to and confirmed by the Director of the Centers for Disease Control of the Public Health Service as of March 31 of the fiscal year immediately preceding the fiscal year for which the amounts are appropriated and to be allocated.

[(2) MINIMUM GRANT.—Subject only to the availability of amounts pursuant to appropriations Acts under section 863, for each fiscal year each eligible grantee under paragraph (1) shall receive funding according to its proportionate share of the total, except that each entity shall receive a minimum allocation of \$200,000 from subparagraphs (A) and (B) of paragraph (1) combined, and any increase this entails from the formula amount will be deducted from all other allocations exceeding \$200,000 on a pro rata basis. If allocation under subparagraph (A) of paragraph (1) would allocate less than \$200,000 for any State, the allocation for such State shall be \$200,000 and the amount of the increase under this sentence shall be deducted on a pro rata basis from the allocations of the other States, except that a reduction under this subparagraph may not reduce the amount allocated to any eligible entity to less than \$200,000.】

* * * * *

SEC. 856. RESPONSIBILITIES OF GRANTEES.

(a) * * *

* * * * *

(g) ADMINISTRATIVE EXPENSES.—

(1) GRANTEES.—Notwithstanding any other provision of this subtitle, each grantee may use not more than 3 percent of the grant amount for administrative costs relating to administering grant amounts and allocating such amounts to project sponsors.

(2) PROJECT SPONSORS.—Notwithstanding any other provision of this subtitle, each project sponsor receiving amounts from grants made under this title may use not more than 7 percent of the amounts received for administrative costs relating to carrying out eligible activities under section 855, including the costs of staff necessary to carry out eligible activities.

(h) ENVIRONMENTAL REVIEW.—*For purposes of environmental review, decisionmaking, and action pursuant to the National Environmental Policy Act of 1969 and other provisions of law that further the purposes of such Act, a grant under this subtitle shall be treated as assistance for a special project that is subject to section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994 (42 U.S.C. 3547), and shall be subject to the regulations issued by the Secretary to implement such section.*

* * * * *

HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1992, PUBLIC
LAW 102-550

**TITLE V—MORTGAGE INSURANCE AND
SECONDARY MORTGAGE MARKET**

* * * * *

**Subtitle C—Improvement of Financing for
Multifamily Housing**

SEC. 541. SHORT TITLE.

This subtitle may be cited as the “Multifamily Housing Finance Improvement Act”.

SEC. 542. [12 U.S.C. 1707 note] MULTIFAMILY MORTGAGE CREDIT DEMONSTRATIONS.

(a) * * *

(b) RISK-SHARING PILOT PROGRAM.—

(1) * * *

* * * * *

(5) FUNDING.—Using any authority provided in appropriation Acts to insure loans under the National Housing Act, the Secretary may enter into commitments under this subsection for risk sharing with respect to mortgages on not more than 7,500 units **[during fiscal year 1999]** *in each of fiscal years 1999 and 2000*. The demonstration authorized under this subsection shall not be expanded until the reports required under subsection (d) are submitted to Congress.

* * * * *

(c) HOUSING FINANCE AGENCY PILOT PROGRAM.—

(1) * * *

* * * * *

(4) LIMITATION ON INSURANCE AUTHORITY.—Using any authority provided by appropriations Acts to insure mortgages under the National Housing Act, the Secretary may enter into commitments under this subsection with respect to mortgages on not more than 12,000 units **[during fiscal year 1999]** *in each of fiscal years 1999 and 2000* and not more than an additional 7,500 units during fiscal year 1997. The demonstration authorized under this subsection shall not be expanded until the reports required under subsection (d) are submitted to the Congress.

* * * * *

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1997, PUBLIC LAW 104-204

* * * * *

ADMINISTRATIVE PROVISIONS

SEC. 204. FLEXIBLE AUTHORITY.—During [fiscal years 1997, 1998 and 1999] *fiscal years 1999 and 2000* and fiscal years thereafter, the Secretary may manage and dispose of multifamily properties owned by the Secretary and multifamily mortgages held by the Secretary on such terms and conditions as the Secretary may determine, notwithstanding any other provision of law.

* * * * *

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1998, PUBLIC LAW 105–65

* * * * *

SEC. 514. MORTGAGE RESTRUCTURING AND RENTAL ASSISTANCE SUFFICIENCY PLAN.

(a) IN GENERAL.—

* * * * *

(h) EXEMPTIONS FROM RESTRUCTURING.—The following categories of projects shall not be covered by a mortgage restructuring and rental assistance sufficiency plan—

[(1) the primary financing or mortgage insurance for the multifamily housing project that is covered by that expiring contract was provided by a unit of State government or a unit of general local government (or an agency or instrumentality of a unit of a State government or unit of general local government);]

(1) the primary financing for the project was provided by a unit of State government or a unit of general local government (or an agency or instrumentality of either) and the primary financing involves mortgage insurance under the National Housing Act, such that the implementation of a mortgage restructuring and rental assistance sufficiency plan under this Act would be in conflict with applicable law or agreements governing such financing;

* * * * *

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1998, PUBLIC LAW 105–65

TITLE V—HUD MULTIFAMILY HOUSING REFORM

* * * * *

SEC. 510. SHORT TITLE.

This title may be cited as the “Multifamily Assisted Housing Reform and Affordability Act of 1997”.

Subtitle A—FHA-Insured Multifamily Housing Mortgage and Housing Assistance Restructuring

* * * * *

SEC. 515. SECTION 8 RENEWALS AND LONG-TERM AFFORDABILITY COMMITMENT BY OWNER OF PROJECT.

(a) * * *

* * * * *

(c) * * *

(1) * * *

* * * * *

[(4) RENTS FOR FAMILIES RECEIVING TENANT-BASED ASSISTANCE.—

[(A) IN GENERAL.—Notwithstanding subsection (c)(1) or (o)(1) of section 8 of the United States Housing Act of 1937, in the case of any family described in paragraph (3) that resides in a project described in section 512(2)(B) in which the reasonable rent (which rent shall include any amount allowed for utilities and shall not exceed comparable market rents for the relevant housing market area) exceeds the fair market rent limitation or the payment standard, as applicable, the amount of assistance for the family shall be determined in accordance with subparagraph (B).

[(B) MAXIMUM MONTHLY RENT; PAYMENT STANDARD.—With respect to the certificate program under section 8(b) of the United States Housing Act of 1937, the maximum monthly rent under the contract (plus any amount allowed for utilities) shall be such reasonable rent for the unit. With respect to the voucher program under section 8(o) of the United States Housing Act of 1937, the payment standard shall be deemed to be such reasonable rent for the unit.]

(4) ASSISTANCE THROUGH ENHANCED VOUCHERS.—*In the case of any family described in paragraph (3) that resides in a project described in section 512(2)(B), the tenant-based assistance provided shall be enhanced voucher assistance under section 8(t) of the United States Housing Act of 1937 (42 U.S.C. 1437f(t)).*

* * * * *

SEC. 517. RESTRUCTURING TOOLS.

(a) Mortgage Restructuring.—

(1) * * *

* * * * *

(5) * * *

(6) *The second mortgage under this section may be a first mortgage if no restructured or new first mortgage will meet the requirement of paragraph (1)(A).*

(b) * * *

(1) * * *

* * * * *

(3) MORTGAGE INSURANCE.—providing FHA multifamily mortgage insurance, reinsurance or other credit enhancement alternatives, including multifamily risk-sharing mortgage programs, as provided under section 542 of the Housing and Com-

munity Development Act of 1992. *The Secretary shall give a priority to risk-shared financing under section 542(c) of the Housing and Community Development Act of 1992 for any mortgage restructuring, rehabilitation financing, or debt refinancing included as part of a mortgage restructuring and rental assistance sufficiency plan if the terms and conditions will result in reduced risk of loss to the federal government.* Any limitations on the number of units available for mortgage insurance under section 542 shall not apply to eligible multifamily housing projects. Any credit subsidy costs of providing mortgage insurance shall be paid from the Liquidating Accounts of the General Insurance Fund or the Special Risk Insurance Fund and shall not be subject to any limitation on appropriations;

* * * * *

SEC. 524. SECTION 8 CONTRACT RENEWALS.

(a) * * *

* * * * *

(b) *ENHANCED VOUCHER ASSISTANCE FOR COVERED RESIDENTS.*—

(1) *IN GENERAL.*—*In the case of a contract for project-based assistance under section 8 for a covered project that is not renewed under subsection (a) of this section (or any other authority), to the extent that amounts for assistance under this subsection are provided in advance in appropriation Acts, upon the date of the expiration of such contract the Secretary—*

(A) *shall make enhanced voucher assistance under section 8(t) of the United States Housing Act of 1937 (42 U.S.C. 1437f(t)) available on behalf of each covered resident of the covered project; and*

(B) *may make enhanced voucher assistance under such section available on behalf of any other low-income family who, upon the date of such expiration, is residing in an assisted dwelling unit in the covered project.*

(2) *DEFINITIONS.*—*For purposes of this subsection, the following definitions shall apply:*

(A) *ASSISTED DWELLING UNIT.*—*The term “assisted dwelling unit” means a dwelling unit that—*

(i) *is in a covered project; and*

(ii) *is covered by rental assistance provided under the contract for project-based assistance for the covered project.*

(B) *COVERED PROJECT.*—*The term “covered project” means any housing that—*

(i) *consists of more than 4 dwelling units;*

(ii) *is covered in whole or in part by a contract for project-based assistance under—*

(I) *the new construction or substantial rehabilitation program under section 8(b)(2) of the United States Housing Act of 1937 (as in effect before October 1, 1983),*

(II) the property disposition program under section 8(b) of the United States Housing Act of 1937,

(III) the moderate rehabilitation program under section 8(e)(2) of the United States Housing Act of 1937 (as in effect before October 1, 1991);

(IV) the loan management assistance program under section 8 of the United States Housing Act of 1937,

(V) section 23 of the United States Housing Act of 1937 (as in effect before January 1, 1975),

(VI) the rent supplement program under section 101 of the Housing and Urban Development Act of 1965, or

(VII) section 8 of the United States Housing Act of 1937, following conversion from assistance under section 101 of the Housing and Urban Development Act of 1965,

which contract will under its own terms expire during the period consisting of fiscal years 2000 through 2004;

(iii) is not housing for which residents are eligible for enhanced voucher assistance pursuant to section 223(f) of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. 4113(f)); and

(iv) is not housing for which residents are eligible for enhanced voucher assistance pursuant to paragraphs (3) and (4) of section 515(c) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note).

(C) COVERED RESIDENT.—The term “covered resident” means a family who—

(i) upon the date of the expiration of the contract for project-based assistance for a covered project, is residing in an assisted dwelling unit in the covered project; and

(ii) as a result of a rent increase occurring after the date of such contract expiration is subject to a rent for such unit that exceeds 30 percent of adjusted income.

* * * * *

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1999, PUBLIC LAW 105–276

TITLE V—PUBLIC HOUSING AND TENANT-BASED ASSISTANCE REFORM

* * * * *

Subtitle A—General Provisions

* * * * *

SEC. 508. DETERMINATION OF ADJUSTED INCOME AND MEDIAN INCOME.

(a) * * *

* * * * *

(d) * * *

* * * * *

(1) * * *

“(f) Availability of Income Matching Information.—

“(1) Disclosure to pha.—A public housing agency, *or the owner responsible for determining the participant’s eligibility or level of benefits*, shall require any family described in paragraph (2) who receives information regarding income, earnings, wages, or unemployment compensation from the Department of Housing and Urban Development pursuant to income verification procedures of the Department to disclose such information, upon receipt of the information, to the public housing agency that owns or operates the public housing dwelling unit in which such family resides or that provides the housing assistance under this Act on behalf of such family, as applicable, *or to the owner responsible for determining the participant’s eligibility or level of benefits*.

“(2) Families covered.—A family described in this paragraph is a family that resides in a dwelling unit—

“(A) that is a public housing dwelling unit; **[or]**

“(B) for which tenant-based assistance is provided under section 8**[.], or**”.

“(C) *for which project-based assistance is provided under section 8, section 202, or section 811.*”

(2) Protection of applicants and participants.—Section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 3544) is amended—

* * * * *

“(4) only in the case of an applicant or participant that is a member of a family described in section 3(f)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(f)(2)), sign an agreement under which the applicant or participant agrees to provide to the appropriate public housing agency, *or the owner responsible for determining the participant’s eligibility or level of benefits*, the information required under section 3(f)(1) of such Act for the sole purpose of **[the public housing agency verifying income]** *verifying income* information pertinent to the applicant’s or participant’s eligibility or level of benefits, and comply with such agreement.”

* * * * *

Subtitle B—Public Housing

PART 1—CAPITAL AND OPERATING ASSISTANCE

* * * * *

SEC. 519. PUBLIC HOUSING CAPITAL AND OPERATING FUNDS.

(a) IN GENERAL.—Section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g) is amended to read as follows:

“SEC. 9. PUBLIC HOUSING CAPITAL AND OPERATING FUNDS.

“(a) * * *

* * * * *

[(k) EMERGENCY RESERVE AND USE OF AMOUNTS.—

[(1) SET-ASIDES.—In each fiscal year after fiscal year 1999, the Secretary shall set aside, for use in accordance with this subsection, not more than 2 percent of the total amount made available to carry out this section for such fiscal year. In addition to amounts set aside under the preceding sentence, in each fiscal year the Secretary may set from the total amount made available to carry out this section for such fiscal year not more than \$20,000,000 for the Operation Safe Home program administered by the Office of the Inspector General of the Department of Housing and Urban Development, for law enforcement efforts to combat violent crime on or near the premises of public and federally assisted housing.

[(2) USE OF FUNDS.—Amounts set aside under paragraph (1) shall be available to the Secretary for use for assistance, as provided in paragraph (3), in connection with—

[(A) emergencies and other disasters; and

[(C) housing needs resulting from any settlement of litigation; and

[(3) ELIGIBLE USES.—In carrying out this subsection, the Secretary may use amounts set aside under this subsection to provide—

[(A) assistance for any eligible use under the Operating Fund or the Capital Fund established by this section; or

[(B) tenant-based assistance in accordance with section 8.

[(4) LIMITATION.—With respect to any fiscal year, the Secretary may carry over not more than a total of \$25,000,000 in unobligated amounts set aside under this subsection for use in connection with the activities described in paragraph (2) during the succeeding fiscal year.

[(5) PUBLICATION.—The Secretary shall publish the use of any amounts allocated under this subsection relating to emergencies (other than disasters and housing needs resulting from any settlement of litigation) in the Federal Register.]

“[(1)] (k) TREATMENT OF NONRENTAL INCOME.—A public housing agency that receives income from nonrental sources (as determined by the Secretary) may retain and use such amounts without any decrease in the amounts received under this section from the

Capital or Operating Fund. Any such nonrental amounts retained shall be used only for low-income housing or to benefit the residents assisted by the public housing agency.

“**[(m)]** (l) PROVISION OF ONLY CAPITAL OR OPERATING ASSISTANCE.—

“(1) AUTHORITY.—In appropriate circumstances, as determined by the Secretary, a public housing agency may commit capital assistance only, or operating assistance only, for public housing units, which assistance shall be subject to all of the requirements applicable to public housing except as otherwise provided in this subsection.

“(2) EXEMPTIONS.—In the case of any public housing unit assisted pursuant to the authority under paragraph (1), the Secretary may, by regulation, reduce the period under subsection (d)(3) or (e)(3), as applicable, during which such units must be operated under requirements applicable to public housing. In cases in which there is commitment of operating assistance but no commitment of capital assistance, the Secretary may make section 8 requirements applicable, as appropriate, by regulation.

“**[(n)]** (m) TREATMENT OF PUBLIC HOUSING.—

“(1) CERTAIN STATE AND CITY FUNDED HOUSING.—

“(A) IN GENERAL.—Notwithstanding any other provision of this section—

“(i) for purposes of determining the allocations from the Operating and Capital Funds pursuant to the formulas under subsections (d)(2) and (e)(2) and determining assistance pursuant to section 519(e) of the Quality Housing and Work Responsibility Act of 1998 and under section 9 or 14 of the United States Housing Act of 1937 (as in effect before the date of the enactment of this Act), for any period before the implementation of such formulas, the Secretary shall deem any covered locally developed public housing units as public housing units developed under this title and such units shall be eligible for such assistance; and

“(ii) assistance provided under this section, under such section 518(d)(3), or under such section 9 or 14 to any public housing agency may be used with respect to any covered locally developed public housing units.

“(B) COVERED UNITS.—For purposes of this paragraph, the term ‘covered locally developed public housing units’ means—

“(i) not more than 7,000 public housing units developed pursuant to laws of the State of New York and that received debt service and operating subsidies pursuant to such laws; and

“(ii) not more than 5,000 dwelling units developed pursuant to section 34 of chapter 121B of the General Laws of the State of Massachusetts.

“(2) REDUCTION OF ASTHMA INCIDENCE.—Notwithstanding any other provision of this section, the New York City Housing Authority may, in its sole discretion, from amounts provided from the Operating and Capital Funds, or from amounts pro-

vided for public housing before amounts are made available from such Funds, use not more than exceeding \$500,000 per year for the purpose of initiating, expanding or continuing a program for the reduction of the incidence of asthma among residents. The Secretary shall consult with the Administrator of the Environmental Protection Agency and the Secretary of Health and Human Services to identify and consider sources of funding for the reduction of the incidence of asthma among recipients of assistance under this title.

“(3) SERVICES FOR ELDERLY RESIDENTS.—Notwithstanding any other provision of this section, the New York City Housing Authority may, in its sole discretion, from amounts provided from the Operating and Capital Funds, or from amounts provided for public housing before the amounts are made available from such Funds, use not more than \$600,000 per year for the purpose of developing a comprehensive plan to address the need for services for elderly residents. Such plan may be developed by a partnership created by such Housing Authority and may include the creation of a model project for assisted living at one or more developments. The model project may provide for contracting with private parties for the delivery of services.

“(4) EFFECTIVE DATE.—This subsection shall apply to fiscal year 1999 and each fiscal year thereafter.”.

* * * * *

BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount of bill	Committee allocation	Amount of bill
Comparison of amounts in the bill with Committee allocations to its subcommittees of amounts in the First Concurrent Resolution for 2000: Subcommittee on VA, HUD, and Independent Agencies:				
General purpose discretionary	69,633	69,618	82,545	¹ 82,291
Violent crime reduction fund				
Mandatory	21,713	21,307	21,496	21,140
Projection of outlays associated with the recommendation:				
2000				² 52,822
2001				22,378
2002				7,171
2003				3,882
2004 and future years				3,719
Financial assistance to State and local governments for 2000 in bill	NA	24,998	NA	4,426

¹ Includes outlays from prior-year budget authority.

² Excludes outlays from prior-year budget authority.

NA: Not applicable.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1999 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2000

[In thousands of dollars]

Item	1999 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1999 appropriation	Budget estimate
TITLE I					
DEPARTMENT OF VETERANS AFFAIRS					
Veterans Benefits Administration					
Compensation and pensions	21,857,058	21,568,364	21,568,364	- 288,694	.....
Readjustment benefits	1,175,000	1,469,000	1,469,000	+ 294,000	.....
Veterans insurance and indemnities	46,450	28,670	28,670	- 17,780	.....
Veterans housing benefit program fund program account (indefinite)	300,266	282,342	282,342	- 17,924	.....
(Limitation on direct loans)	(300)	(300)	(300)	.....	.....
Administrative expenses	159,121	156,958	156,958	- 2,163	.....
Education loan fund program account	1	1	1	.....	.....
(Limitation on direct loans)	(3)	(3)	(3)	.....	.....
Administrative expenses	206	214	214	+ 8	.....
Vocational rehabilitation loans program account	55	57	57	+ 2	.....
(Limitation on direct loans)	(2,401)	(2,531)	(2,531)	(+ 130)	.....
Administrative expenses	400	415	415	+ 15	.....
Native American Veteran Housing Loan Program Account	515	520	520	+ 5	.....
Guaranteed Transitional Housing Loans for Homeless Veterans program account .....	.....	48,250	48,250	+ 48,250	.....
(Limitation on direct loans) .....	.....	(100,000)	(100,000)	(+ 100,000)	.....
Total, Veterans Benefits Administration	23,539,072	23,554,791	23,554,791	+ 15,719	.....
Veterans Health Administration					
Medical care	16,528,000	16,671,000	17,771,000	+ 1,243,000	+ 1,100,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1999 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2000—Continued

[In thousands of dollars]

Item	1999 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1999 appropriation	Budget estimate
Delayed equipment obligation	778,000	635,000	635,000	- 143,000	.....
Total	17,306,000	17,306,000	18,406,000	+ 1,100,000	+ 1,100,000
(Transfer to general operating expenses)	(- 27,420)	.....	(25,930)	(+ 53,350)	(+ 25,930)
Medical care cost recovery collections:					
Offsetting receipts	- 583,000	- 608,000	- 608,000	- 25,000	.....
Appropriations (indefinite)	583,000	608,000	608,000	+ 25,000	.....
Total available	(17,889,000)	(17,914,000)	(19,014,000)	(+ 1,125,000)	(+ 1,100,000)
Medical and prosthetic research	316,000	316,000	316,000	.....	.....
Medical administration and miscellaneous operating expenses	63,000	61,200	60,703	- 2,297	- 497
General Post Fund, National Homes:					
Loan program account (by transfer)	(7)	(7)	(7)	.....	.....
(Limitation on direct loans)	(70)	(70)	(70)	.....	.....
Administrative expenses (by transfer)	(54)	(54)	(54)	.....	.....
General post fund (transfer out)	(- 61)	(- 61)	(- 61)	.....	.....
Total, Veterans Health Administration	17,685,000	17,683,200	18,782,703	+ 1,097,703	+ 1,099,503
Departmental Administration					
General operating expenses	855,661	912,353	912,594	+ 56,933	+ 241
Offsetting receipts	(38,960)	(36,754)	(36,754)	(- 2,206)	.....
Total, Program Level	(894,621)	(949,107)	(949,348)	(+ 54,727)	(+ 241)
(Transfer from medical care)	(27,420)	.....	.....	( - 27,420)	.....

(Transfer from national cemetery)	(90)	.....	.....	(- 90)	.....
(Transfer from inspector general)	(30)	.....	.....	(- 30)	.....
National Cemetery Administration	92,006	97,000	97,256	+ 5,250	+ 256
(Transfer to general operating expenses)	(- 90)	.....	.....	(+ 90)	.....
Office of Inspector General	36,000	43,200	43,200	+ 7,200	.....
(Transfer to general operating expenses)	(- 30)	.....	.....	(+ 30)	.....
Construction, major projects	142,300	60,140	70,140	- 72,160	+ 10,000
Construction, minor projects	175,000	175,000	175,000	.....	.....
Grants for construction of State extended care facilities	90,000	40,000	90,000	.....	+ 50,000
Grants for the construction of State veterans cemeteries	10,000	11,000	25,000	+ 15,000	+ 14,000
Capital asset fund .....	.....	10,000	.....	.....	- 10,000
Total, Departmental Administration	1,400,967	1,348,693	1,413,190	+ 12,223	+ 64,497
Total, title I, Department of Veterans Affairs	42,625,039	42,586,684	43,750,684	+ 1,125,645	+ 1,164,000
(By transfer)	(61)	(61)	(25,991)	(+ 25,930)	(+ 25,930)
(Limitation on direct loans)	(2,774)	(102,904)	(102,904)	(+ 100,130)	.....
Consisting of:	.....	.....	.....	.....	.....
Mandatory	(23,378,774)	(23,396,626)	(23,396,626)	(+ 17,852)	.....
Discretionary	(19,246,265)	(19,190,058)	(20,354,058)	(+ 1,107,793)	(+ 1,164,000)
TITLE II					
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Public and Indian Housing					
Housing Certificate Fund	10,326,542	7,322,095	6,851,135	- 3,475,407	- 470,960
(By transfer) .....	.....	(183,000)	(183,000)	(+ 183,000)	.....
Advance appropriation, fiscal year 2001 .....	.....	4,200,000	4,200,000	+ 4,200,000	.....
Total funding	10,326,542	11,522,095	11,051,135	+ 724,593	- 470,960
Housing set-asides:	.....	.....	.....	.....	.....
Expiring section 8 contracts	(9,600,000)	(10,640,135)	(10,855,135)	(+ 1,255,135)	(+ 215,000)
Section 8 relocation assistance	(433,542)	(156,000)	(156,000)	(- 277,542)	.....
Regional opportunity counseling	(10,000)	(20,000)	.....	(- 10,000)	(- 20,000)
Welfare to work housing vouchers	(283,000)	(144,400)	.....	(- 283,000)	(- 144,400)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1999 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2000—Continued

[In thousands of dollars]

Item	1999 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1999 appropriation	Budget estimate
Contract administration		(209,000)			(- 209,000)
Incremental vouchers		(346,560)			(- 346,560)
Administrative fee change		(6,000)			(- 6,000)
Voucher for disabled	(40,000)		(40,000)		(+ 40,000)
Subtotal	(10,366,542)	(11,522,095)	(11,051,135)	(+ 684,593)	(- 470,960)
Section 8 (rescission)	- 1,650,000			+ 1,650,000	
Public housing capital fund	3,000,000	2,555,000	2,555,000	- 445,000	
Public housing operating fund	2,818,000	3,003,000	2,900,000	+ 82,000	- 103,000
Subtotal	5,818,000	5,558,000	5,455,000	- 363,000	- 103,000
Drug elimination grants for low-income housing	310,000	310,000	310,000		
Revitalization of severely distressed public housing (HOPE VI)	625,000	625,000	500,000	- 125,000	- 125,000
Indian housing block grant	620,000	620,000	620,000		
Indian housing loan guarantee fund program account	6,000	6,000	6,000		
(Limitation on guaranteed loans)	(68,881)	(71,956)	(71,956)	(+ 3,075)	
Community Planning and Development					
Rural housing and economic development	25,000	20,000	25,000		+ 5,000
Housing opportunities for persons with AIDS	225,000	240,000	225,000		- 15,000
Additional provisions—Division A, Public Law 105-277	10,000			- 10,000	
Community development block grants	4,750,000	4,775,000	4,800,000	+ 50,000	+ 25,000
Emergency funding	250,000			- 250,000	
Section 108 loan guarantees:					
(Limitation on guaranteed loans)	(1,261,000)	(1,261,000)	(1,261,000)		

Credit subsidy	29,000	29,000	29,000	.....	.....
Administrative expenses	1,000	1,000	1,000	.....	.....
Brownfields redevelopment	25,000	50,000	25,000	.....	— 25,000
Regional connections .....	.....	50,000	.....	.....	— 50,000
Regional empowerment zone initiative .....	.....	50,000	.....	.....	— 50,000
Empowerment Zones and Enterprise Communities Additional provisions—Division A, Public Law 105–277	45,000	.....	.....	— 45,000	.....
America's private investment companies:					
(Limitation on guaranteed loans) .....	.....	(1,000,000)	.....	.....	(— 1,000,000)
Credit subsidy .....	.....	37,000	.....	.....	— 37,000
Redevelopment of abandoned buildings initiative .....	.....	50,000	.....	.....	— 50,000
HOME investment partnerships program	1,600,000	1,610,000	1,600,000	.....	— 10,000
Homeless assistance grants	975,000	1,020,000	1,020,000	+ 45,000	.....
Homeless assistance demonstration project .....	.....	5,000	.....	.....	— 5,000
Total, Community planning and development	7,935,000	7,937,000	7,725,000	— 210,000	— 212,000
Total, Public and Indian Housing (excl advances)	23,990,542	22,378,095	21,467,135	— 2,523,407	— 910,960
Housing Programs					
Housing for special populations	854,000	854,000	904,000	+ 50,000	+ 50,000
Housing for the elderly	(660,000)	(660,000)	(710,000)	(+ 50,000)	(+ 50,000)
Housing for the disabled	(194,000)	(194,000)	(194,000)	.....	.....
Federal Housing Administration					
FHA—Mutual mortgage insurance program account:					
(Limitation on guaranteed loans)	(110,000,000)	(120,000,000)	(120,000,000)	(+ 10,000,000)	.....
(Limitation on direct loans)	(100,000)	(50,000)	(100,000)	.....	(+ 50,000)
Administrative expenses	328,888	330,888	330,888	+ 2,000	.....
Offsetting receipts	— 529,000	.....	.....	+ 529,000	.....
Administrative contract expenses .....	.....	160,000	160,000	+ 160,000	.....
Additional contract expenses .....	.....	4,000	4,000	+ 4,000	.....
FHA—General and special risk program account:					
Program costs	81,000	.....	.....	— 81,000	.....
(Limitation on guaranteed loans)	(18,100,000)	(18,100,000)	(18,100,000)	.....	.....
(Limitation on direct loans)	(50,000)	(50,000)	(50,000)	.....	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1999 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2000—Continued

[In thousands of dollars]

Item	1999 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1999 appropriation	Budget estimate
Administrative expenses	211,455	64,000	64,000	- 147,455	.....
Administrative expenses (unobligated balances)		(147,000)	(147,000)	(+ 147,000)	.....
Subsidies for fiscal year 1999	- 125,000			+ 125,000	.....
Negative subsidy		- 75,000	- 75,000	- 75,000	.....
Subsidy (unobligated balances)		(153,000)	(153,000)	(+ 153,000)	.....
Non-overhead administrative expenses		144,000	144,000	+ 144,000	.....
Additional contract expenses		7,000	7,000	+ 7,000	.....
Total, Federal Housing Administration	- 32,657	634,888	634,888	+ 667,545	.....
Government National Mortgage Association					
Guarantees of mortgage-backed securities loan guarantee program ac- count:					
(Limitation on guaranteed loans)	(150,000,000)	(200,000,000)	(200,000,000)	(+ 50,000,000)	.....
Administrative expenses	9,383	15,383	15,383	+ 6,000	.....
Offsetting receipts	- 370,000	- 422,000	- 422,000	- 52,000	.....
Policy Development and Research					
Research and technology	47,500	50,000	35,000	- 12,500	- 15,000
Fair Housing and Equal Opportunity					
Fair housing activities	40,000	47,000	40,000	.....	- 7,000
Office of Lead Hazard Control					
Lead hazard reduction	80,000	80,000	80,000	.....	.....

Management and Administration					
Salaries and expenses	456,843	502,000	457,093	+ 250	— 44,907
(By transfer, limitation on FHA corporate funds)	(518,000)	(518,000)	(518,000)	.....	.....
(By transfer, GNMA)	(9,383)	(9,383)	(9,383)	.....	.....
(By transfer, Community Planning and Development)	(1,000)	(1,000)	(1,000)	.....	.....
(By transfer, Title VI)	(200)	(150)	(150)	(— 50)	.....
(By transfer, Indian Housing)	(400)	(200)	(200)	(— 200)	.....
Total, Salaries and expenses	(985,826)	(1,030,733)	(985,826)	.....	(— 44,907)
Y2K conversion (emergency funding)	12,200	.....	.....	— 12,200	.....
Office of Inspector General	49,567	38,000	63,567	+ 14,000	+ 25,567
(By transfer, limitation on FHA corporate funds)	(22,343)	(22,343)	(22,343)	.....	.....
(By transfer from Drug Elimination Grants)	(10,000)	(10,000)	(10,000)	.....	.....
Total, Office of Inspector General	(81,910)	(70,343)	(95,910)	(+ 14,000)	(+ 25,567)
Office of Federal Housing Enterprise Oversight	16,000	19,493	16,000	.....	— 3,493
Offsetting receipts	— 16,000	— 19,493	— 16,000	.....	+ 3,493
Administrative Provisions					
Single Family Property Disposition	— 400,000	.....	.....	+ 400,000	.....
Sec. 212, calculation of downpayment	15,000	.....	.....	— 15,000	.....
FHA increase in loan amounts	— 83,000	.....	.....	+ 83,000	.....
GSE user fee .....	.....	— 10,000	.....	.....	+ 10,000
Sec. 214, general transfer authority .....	.....	.....	.....	.....	.....
Sec. 208 FHA .....	.....	— 319,000	— 319,000	— 319,000	.....
Annual contribution (transfer out) .....	.....	(— 79,000)	(— 79,000)	(— 79,000)	.....
Annual contributions (transfer out) .....	.....	(— 104,000)	(— 104,000)	(— 104,000)	.....
Section 236(g) amendment .....	.....	.....	.....	.....	.....
Total, administrative provisions	— 468,000	— 329,000	— 319,000	+ 149,000	+ 10,000
Total, title II, Department of Housing and Urban Development ...	24,669,378	28,048,366	27,156,066	+ 2,486,688	— 892,300
Current year, fiscal year 2000	(24,669,378)	(23,848,366)	(22,956,066)	(— 1,713,312)	(— 892,300)
Appropriations	(26,057,178)	(23,848,366)	(22,956,066)	(— 3,101,112)	(— 892,300)
Rescission	(— 1,650,000)	.....	.....	(+ 1,650,000)	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1999 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2000—Continued

[In thousands of dollars]

Item	1999 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1999 appropriation	Budget estimate
Emergency appropriations	(262,200)	.....	.....	( - 262,200)	.....
Advance appropriation, fiscal year 2001 .....	.....	(4,200,000)	(4,200,000)	(+ 4,200,000)	.....
(Limitation on guaranteed loans)	(279,361,000)	(340,361,000)	(339,361,000)	(+ 60,000,000)	(- 1,000,000)
(Limitation on corporate funds)	(561,326)	(561,076)	(561,076)	(- 250)	.....
TITLE III					
INDEPENDENT AGENCIES					
American Battle Monuments Commission					
Salaries and expenses	26,431	26,467	26,467	+ 36	.....
Chemical Safety and Hazard Investigation Board					
Salaries and expenses	6,500	7,500	6,500	.....	- 1,000
Department of the Treasury					
Community Development Financial Institutions					
Community development financial institutions fund program account	80,000	110,000	80,000	.....	- 30,000
Microenterprise technical assistance .....	.....	15,000	.....	.....	- 15,000
Additional provisions—Division A, Public Law 105-277	15,000	.....	.....	- 15,000	.....
Total	95,000	125,000	80,000	- 15,000	- 45,000
Consumer Product Safety Commission					
Salaries and expenses	47,000	50,500	49,500	+ 2,500	- 1,000

Corporation for National and Community Service					
National and community service programs operating expenses	425,500	545,500	423,500	— 2,000	— 122,000
Additional provisions—Division A, Public Law 105–277	10,000			— 10,000	
Rescission			— 80,000	— 80,000	— 80,000
Office of Inspector General	3,000	3,000	5,000	+ 2,000	+ 2,000
Total	438,500	548,500	348,500	— 90,000	— 200,000
United States Court of Appeals for Veterans Claims					
Salaries and expenses	10,195	11,450	11,450	+ 1,255	
Department of Defense—Civil					
Cemeterial Expenses, Army					
Salaries and expenses	11,666	12,473	12,473	+ 807	
Environmental Protection Agency					
Science and Technology	650,000	642,483	642,483	— 7,517	
Transfer from Hazardous Substance Superfund	40,000	37,271	38,000	— 2,000	+ 729
Additional provisions—Division A, Public Law 105–277	10,000			— 10,000	
Subtotal, Science and Technology	700,000	679,754	680,483	— 19,517	+ 729
Environmental Programs and Management	1,846,700	2,046,993	1,885,000	+ 38,300	— 161,993
Office of Inspector General	31,154	29,409	32,409	+ 1,255	+ 3,000
Transfer from Hazardous Substance Superfund	12,237	10,753	10,753	— 1,484	
Subtotal, OIG	43,391	40,162	43,162	— 229	+ 3,000
Buildings and facilities	56,948	62,630	25,930	— 31,018	— 36,700
Hazardous Substance Superfund	1,400,000	1,500,000	1,300,000	— 100,000	— 200,000
Delay of obligation	100,000		100,000		+ 100,000
Transfer to Office of Inspector General	— 12,237	— 10,753	— 10,753	+ 1,484	
Transfer to Science and Technology	— 40,000	— 37,271	— 38,000	+ 2,000	— 729
Subtotal, Hazardous Substance Superfund	1,447,763	1,451,976	1,351,247	— 96,516	— 100,729
Leaking Underground Storage Tank Program	72,500	71,556	71,556	— 944	
Oil spill response	15,000	15,618	15,000		— 618

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1999 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2000—Continued

[In thousands of dollars]

Item	1999 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1999 appropriation	Budget estimate
State and Tribal Assistance Grants	2,506,750	1,953,000	2,355,000	- 151,750	+ 402,000
Categorical grants	880,000	884,957	895,000	+ 15,000	+ 10,043
Additional provisions—Division A, Public Law 105-277	20,000	.....	.....	- 20,000	.....
Subtotal, STAG	3,406,750	2,837,957	3,250,000	- 156,750	+ 412,043
Total, EPA	7,589,052	7,206,646	7,322,378	- 266,674	+ 115,732
Executive Office of the President					
Office of Science and Technology Policy	5,026	5,201	5,201	+ 175	.....
Council on Environmental Quality and Office of Environmental Quality ..	2,675	3,020	2,675	.....	- 345
Total	7,701	8,221	7,876	+ 175	- 345
Federal Deposit Insurance Corporation					
Office of Inspector General (transfer)	(34,666)	(33,666)	(34,666)	.....	(+ 1,000)
Federal Emergency Management Agency					
Disaster relief	307,745	300,000	300,000	- 7,745	.....
(Transfer out) .....	.....	(- 2,900)	(- 2,900)	(- 2,900)	.....
Emergency funding	906,000	2,480,425	.....	- 906,000	- 2,480,425
Pre-disaster mitigation .....	.....	30,000	.....	.....	- 30,000
(Transfer out) .....	.....	(2,500)	.....	.....	(- 2,500)
Disaster assistance direct loan program account:					
State share loan	1,355	1,295	1,295	- 60	.....
(Limitation on direct loans)	(25,000)	(25,000)	(25,000)	.....	.....
Administrative expenses	440	420	420	- 20	.....

Salaries and expenses	171,138	189,720	180,000	+ 8,862	— 9,720
Y2K conversion (emergency funding)	3,641			— 3,641	
Office of Inspector General	5,400	8,015	8,015	+ 2,615	
Emergency management planning and assistance	240,824	250,850	255,850	+ 15,026	+ 5,000
(By transfer)		(5,400)	(2,900)	(+ 2,900)	(— 2,500)
Y2K conversion (emergency funding)	3,711			— 3,711	
Radiological emergency preparedness fund	12,849			— 12,849	
Collection of fees	— 12,849			+ 12,849	
New language		— 1,000	— 1,000	— 1,000	
Emergency food and shelter program	100,000	125,000	110,000	+ 10,000	— 15,000
Flood map modernization fund		5,000			— 5,000
National insurance development fund		(3,730)	(3,730)	(+ 3,730)	
National Flood Insurance Fund (limitation on administrative expenses):					
Salaries and expenses	(22,685)	(24,131)	(24,333)	(+ 1,648)	(+ 202)
Flood mitigation	(78,464)	(78,912)	(78,710)	(+ 246)	(— 202)
(Transfer out)		(— 20,000)	(— 20,000)	(— 20,000)	
National flood mitigation fund		12,000			— 12,000
(By transfer)		(20,000)	(20,000)	(+ 20,000)	
Total, Federal Emergency Management Agency	1,740,254	3,401,725	854,580	— 885,674	— 2,547,145
Appropriations	(826,902)	(921,300)	(854,580)	(+ 27,678)	(— 66,720)
Emergency funding	(913,352)	(2,480,425)		(— 913,352)	(— 2,480,425)
General Services Administration					
Consumer Information Center Fund	2,619	2,622	2,622	+ 3	
National Aeronautics and Space Administration					
Human space flight	5,480,000	5,638,000		— 5,480,000	— 5,638,000
International Space Station			2,482,700	+ 2,482,700	+ 2,482,700
Launch vehicles and payload operation			3,156,000	+ 3,156,000	+ 3,156,000
Science, aeronautics and technology	5,653,900	5,424,700	5,424,700	— 229,200	
Mission support	2,511,100	2,494,900	2,495,000	— 16,100	+ 100
Office of Inspector General	20,000	20,800	20,000		— 800
Total, NASA	13,665,000	13,578,400	13,578,400	— 86,600	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1999 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2000—Continued

[In thousands of dollars]

Item	1999 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1999 appropriation	Budget estimate
National Credit Union Administration					
Central liquidity facility:					
(Limitation on direct loans)	(600,000)	(600,000)	.....	(- 600,000)	(- 600,000)
(Limitation on administrative expenses, corporate funds)	(176)	(257)	(257)	(+ 81)	.....
Revolving loan program	2,000	.....	.....	- 2,000	.....
National Science Foundation					
Research and related activities	2,770,000	3,004,000	3,007,300	+ 237,300	+ 3,300
Major research equipment	90,000	85,000	70,000	- 20,000	- 15,000
Education and human resources	662,000	678,000	688,600	+ 26,600	+ 10,600
Salaries and expenses	144,000	149,000	150,000	+ 6,000	+ 1,000
Office of Inspector General	5,200	5,450	5,550	+ 350	+ 100
Total, NSF	3,671,200	3,921,450	3,921,450	+ 250,250	.....
Neighborhood Reinvestment Corporation					
Payment to the Neighborhood Reinvestment Corporation	90,000	90,000	60,000	- 30,000	- 30,000
Selective Service System					
Salaries and expenses	24,176	25,250	25,250	+ 1,074	.....
Y2K conversion (emergency funding)	250	.....	.....	- 250	.....
Advance appropriations, fiscal year 2001 .....	.....	25,250	.....	.....	- 25,250
Total	24,426	50,500	25,250	+ 824	- 25,250
Total, title III, Independent agencies	27,427,544	29,041,454	26,307,446	- 1,120,098	- 2,734,008

Appropriations	(26,513,942)	(26,561,029)	(26,307,446)	(– 206,496)	(– 253,583)
Rescission .....	.....	.....	.....	.....	.....
Emergency funding	(913,602)	(2,480,425)	.....	( – 913,602)	(– 2,480,425)
(Limitation on administrative expenses)	(101,149)	(103,043)	(103,043)	(+ 1,894)	.....
(Limitation on direct loans)	(625,000)	(625,000)	(25,000)	(– 600,000)	(– 600,000)
(Limitation on corporate funds)	(176)	(257)	(257)	(+ 81)	.....
Grand total	94,721,961	99,676,504	97,214,196	+ 2,492,235	– 2,462,308
Current year, fiscal year 2000	(94,721,961)	(95,476,504)	(93,014,196)	(– 1,707,765)	(– 2,462,308)
Appropriations	(96,846,159)	(92,970,829)	(93,094,196)	(– 3,751,963)	(+ 123,367)
Rescission	(– 1,650,000)	.....	.....	( + 1,650,000)	.....
Emergency funding	(1,175,802)	(2,480,425)	.....	( – 1,175,802)	(– 2,480,425)
Advance appropriation, fiscal year 2001 .....	.....	(4,200,000)	(4,200,000)	(+ 4,200,000)	.....
(By transfer)	(34,727)	(236,727)	(263,657)	(+ 228,930)	(+ 26,930)
(Transfer out)	(– 61)	(– 198,061)	(– 203,061)	(– 203,000)	(– 5,000)
(Limitation on administrative expenses)	(101,149)	(103,043)	(103,043)	(+ 1,894)	.....
(Limitation on direct loans)	(846,655)	(899,860)	(349,860)	(– 496,795)	(– 550,000)
(Limitation on guaranteed loans)	(279,361,000)	(340,361,000)	(339,361,000)	(+ 60,000,000)	(– 1,000,000)
(Limitation on corporate funds)	(561,502)	(561,333)	(561,333)	(– 169)	.....