| | | |
|---|---|---|
| Vucanovich | Watts (OK) | Wicker |
| Waldholtz | Weldon (FL) | Wolf |
| Walker | Weldon (PA) | Young (FL) |
| Walsh | Weller | Zeliff |
| Wamp | White | Zimmer |

NOT VOTING—11

| | | |
|---|---|---|
| Chapman | Laughlin | Whitfield |
| DeFazio | Ros-Lehtinen | Wilson |
| Fowler | Tucker | Young (AK) |
| Jefferson | Volkmer | |

□ 1816

Messrs. DELAY, POMBO, and NEUMAN changed their vote from ''yea'' to ''nay.''

Messrs. NADLER, CRAMER, and BEVILL changed their vote from ''nay'' to ''yea.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. EMERSON). The question is on the conference report.

Pursuant to clause 7, rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 256, nays 166, not voting 10, as follows:

[Roll No. 841]

YEAS—256

| | | |
|---|---|---|
| Allard | DeLay | Horn |
| Archer | Diaz-Balart | Hostettler |
| Armey | Dickey | Houghton |
| Bachus | Dicks | Hunter |
| Baker (CA) | Doolittle | Hutchinson |
| Baker (LA) | Dornan | Hyde |
| Ballenger | Doyle | Inglis |
| Barr | Dreier | Istook |
| Barrett (NE) | Duncan | Johnson, Sam |
| Bartlett | Dunn | Jones |
| Barton | Ehlers | Kasich |
| Bass | Ehrlich | Kelly |
| Bateman | Emerson | Kim |
| Bentsen | English | King |
| Bereuter | Ensign | Kingston |
| Bevill | Everett | Klug |
| Bilbray | Ewing | Knollenberg |
| Bilirakis | Fawell | Kolbe |
| Bliley | Fields (TX) | LaHood |
| Blute | Flanagan | Largent |
| Boehlert | Foley | Latham |
| Boehner | Forbes | LaTourette |
| Bonilla | Fox | Laughlin |
| Bono | Franks (CT) | Lazio |
| Boucher | Franks (NJ) | Leach |
| Brewster | Frelinghuysen | Lewis (CA) |
| Browder | Frisa | Lewis (KY) |
| Brownback | Funderburk | Lightfoot |
| Bryant (TN) | Gallegly | Linder |
| Bunn | Ganske | Livingston |
| Bunning | Gekas | LoBiondo |
| Burr | Geren | Longley |
| Burton | Gilchrest | Lucas |
| Buyer | Gillmor | Luther |
| Callahan | Gilman | Manzullo |
| Calvert | Goodlatte | Martini |
| Camp | Goodling | McCollum |
| Canady | Gordon | McCrery |
| Castle | Goss | McDade |
| Chabot | Graham | McHugh |
| Chambliss | Greenwood | McInnis |
| Christensen | Gunderson | McIntosh |
| Chrysler | Gutknecht | McKeon |
| Clinger | Hall (TX) | Metcalf |
| Coble | Hamilton | Meyers |
| Coburn | Hancock | Mica |
| Collins (GA) | Hansen | Miller (FL) |
| Combest | Harman | Minge |
| Condit | Hastert | Mink |
| Cox | Hastings (WA) | Molinari |
| Cramer | Hayes | Mollohan |
| Crane | Hayworth | Montgomery |
| Crapo | Hefley | Moorhead |
| Cremeans | Heineman | Moran |
| Cubin | Herger | Morella |
| Cunningham | Hilleary | Murtha |
| Danner | Hobson | Myers |
| Davis | Hoekstra | Myrick |
| Deal | Hoke | Nethercutt |
| Neumann | Roukema | Thomas |
| Ney | Royce | Thornberry |
| Norwood | Salmon | Tiahrt |
| Nussle | Saxton | Torkildsen |
| Orton | Schaefer | Traficant |
| Oxley | Schiff | Upton |
| Packard | Seastrand | Visclosky |
| Parker | Shadegg | Vucanovich |
| Paxon | Shaw | Waldholtz |
| Payne (VA) | Shays | Walker |
| Peterson (MN) | Shuster | Walsh |
| Petri | Skeen | Wamp |
| Pombo | Skelton | Ward |
| Porter | Smith (MI) | Watts (OK) |
| Pryce | Smith (NJ) | Weldon (FL) |
| Quillen | Smith (TX) | Weldon (PA) |
| Quinn | Smith (WA) | Weller |
| Radanovich | Solomon | White |
| Rahall | Souder | Whitfield |
| Ramstad | Spence | Wicker |
| Regula | Stearns | Wise |
| Riggs | Stenholm | Wolf |
| Rivers | Talent | Young (FL) |
| Roberts | Tate | Zeliff |
| Roemer | Tauzin | Zimmer |
| Rogers | Taylor (MS) | |
| Rohrabacher | Taylor (NC) | |

NAYS—166

| | | |
|---|---|---|
| Abercrombie | Gonzalez | Pallone |
| Ackerman | Green | Pastor |
| Andrews | Gutierrez | Payne (NJ) |
| Baesler | Hall (OH) | Pelosi |
| Baldacci | Hastings (FL) | Peterson (FL) |
| Barcia | Hefner | Pickett |
| Barrett (WI) | Hilliard | Pomeroy |
| Becerra | Hinchey | Portman |
| Beilenson | Holden | Poshard |
| Berman | Hoyer | Rangel |
| Bishop | Jackson-Lee | Reed |
| Bonior | Jacobs | Richardson |
| Borski | Johnson (CT) | Rose |
| Brown (CA) | Johnson (SD) | Roth |
| Brown (FL) | Johnson, E. B. | Roybal-Allard |
| Brown (OH) | Johnston | Rush |
| Bryant (TX) | Kanjorski | Sabo |
| Cardin | Kaptur | Sanders |
| Chenoweth | Kennedy (MA) | Sanford |
| Clay | Kennedy (RI) | Sawyer |
| Clement | Kennelly | Scarborough |
| Clyburn | Kildee | Schroeder |
| Coleman | Kleczka | Schumer |
| Collins (IL) | Klink | Scott |
| Collins (MI) | LaFalce | Sensenbrenner |
| Conyers | Lantos | Serrano |
| Cooley | Levin | Sisisky |
| Costello | Lewis (GA) | Skaggs |
| Coyne | Lincoln | Slaughter |
| de la Garza | Lipinski | Spratt |
| DeLauro | Lofgren | Stark |
| Dellums | Lowey | Stockman |
| Deutsch | Maloney | Stokes |
| Dingell | Manton | Studds |
| Dixon | Markey | Stump |
| Doggett | Martinez | Stupak |
| Dooley | Mascara | Tanner |
| Durbin | Matsui | Tejeda |
| Edwards | McCarthy | Thompson |
| Engel | McDermott | Thornton |
| Eshoo | McHale | Thurman |
| Evans | McKinney | Torres |
| Farr | McNulty | Torricelli |
| Fattah | Meehan | Towns |
| Fazio | Meek | Velazquez |
| Fields (LA) | Menendez | Vento |
| Filner | Mfume | Waters |
| Flake | Miller (CA) | Watt (NC) |
| Foglietta | Moakley | Waxman |
| Ford | Nadler | Williams |
| Frank (MA) | Neal | Woolsey |
| Frost | Oberstar | Wyden |
| Furse | Obey | Wynn |
| Gejdenson | Olver | Yates |
| Gephardt | Ortiz | |
| Gibbons | Owens | |

NOT VOTING—10

| | | |
|---|---|---|
| Chapman | Jefferson | Wilson |
| Clayton | Ros-Lehtinen | Young (AK) |
| DeFazio | Tucker | |
| Fowler | Volkmer | |

□ 1832

The Clerk announced the following pair:

On this vote:

Ms. Ros-Lehtinen for, with Mr. DeFazio against.

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## CONFERENCE REPORT ON H.R. 2099, DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1996

Mr. LEWIS of California submitted the following conference report and statement on the bill (H.R. 2099) 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, 1996, and for other purposes.

CONFERENCE REPORT (H. REPT. 104–384)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2099) ''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, 1996, and for other purposes,'' having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 5, 12, 14, 20, 24, 43, 62, 67, 75, 82, 86, 87, 89, 90, 91, 92, 98, 111, 112, and 116.

That the House recede from its disagreement to the amendments of the Senate numbered, 6, 7, 10, 11, 17, 19, 21, 22, 26, 27, 28, 29, 30, 34, 35, 38, 39, 40, 42, 44, 45, 46, 47, 49, 50, 51, 52, 53, 54, 55, 56, 57, 59, 60, 61, 64, 69, 73, 78, 79, 84, 85, 88, 93, 95, 96, 97, 99, 100, 101, 103, 106, 107, 108, 113, and 115, and agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$16,564,000,000*; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert: *$848,143,000: Provided, That of the amount appropriated and any other funds made available from any other source for activities funded under this heading, except reimbursements, not to exceed $214,109,000 shall be available for General Administration; including not to exceed (1) $2,450,000 for personnel compensation and benefits and $50,000 for travel in the Office of the Secretary, (2) $4,392,000 for personnel compensation and benefits and $75,000 for travel in the Office of the Assistant Secretary for Policy and Planning, (3) $1,980,000 for personnel compensation and benefits and $33,000 for travel in the Office of the Assistant Secretary for Congressional Affairs, and (4) $3,500,000 for personnel compensation and benefits and $100,000 for travel in the Office of the Assistant Secretary for Public and Intergovernmental Affairs: Provided further, That during fiscal year 1996, notwithstanding any other provision of law, the number*

of individuals employed by the Department of Veterans Affairs (1) in other than ''career appointee'' positions in the Senior Executive Service shall not exceed 6, and (2) in schedule C positions shall not exceed 11: Provided further, That not to exceed $6,000,000 of the amount appropriated shall be available for administrative expenses to carry out the direct and guaranteed loan programs under the Loan Guaranty Program Account; and the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: $136,155,000; and the Senate agree to the same.

Amendment numbered 13:

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows:

Delete the matter proposed by said amendment and on page 16 of the House engrossed bill, H.R. 2099, delete the language on lines 9–18.

And the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows:

In lieu of the sum named in said amendment, insert: $4,500,000; and the Senate agreed to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

For assistance under the United States Housing Act of 1937, as amended (''the Act'' herein) (42 U.S.C. 1437), not otherwise provided for, $10,155,795,000, to remain available until expended: Provided, That of the total amount provided under this head, $160,000,000 shall be for the development or acquisition cost of public housing for Indian families, including amounts for housing under the mutual help homeownership opportunity program under section 202 of the Act (42 U.S.C. 1437bb): Provided further, That of the total amount provided under this head, $2,500,000,000 shall be for modernization of existing public housing projects pursuant to section 14 of the Act (42 U.S.C. 1437l), including up to $20,000,000 for the inspection of public housing units, contract expertise, and training and technical assistance, directly or indirectly, under grants, contracts, or cooperative agreements, to assist in the oversight and management of public and Indian housing (whether or not the housing is being modernized with assistance under this proviso) or tenant-based assistance, including, but not limited to, an annual resident survey, data collection and analysis, training and technical assistance by or to officials and employees of the Department and of public housing agencies and to residents in connection with the public and Indian housing program: Provided further, That of the total amount provided under this head, $400,000,000 shall be for rental subsidy contracts under the section 8 existing housing certificate program and the housing voucher program under section 8 of the Act, except that such amounts shall be used only for units necessary to provide housing assistance for residents to be relocated from existing federally subsidized or assisted housing, for replacement housing for units demolished or disposed of (including units to be disposed of pursuant to a homeownership program under section 5(h) or title III of the United States Housing Act of 1937) from the public housing inventory, for funds related to litigation settlements, for the conversion of section 23 projects to assistance under section 8, for public housing agencies to implement allocation plans approved by the Secretary for designated housing, for funds to carry out the family unification program, and for the relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency: Provided further, That of the total amount provided under this head, $4,350,862,000 shall be for assistance under the United States Housing Act of 1937 (42 U.S.C. 1437) for use in connection with expiring or terminating section 8 subsidy contracts, such amount shall be merged with all remaining obligated and unobligated balances heretofore appropriated under the heading ''Renewal of expiring section 8 subsidy contracts'': Provided further, That notwithstanding any other provision of law, assistance reserved under the two preceding provisos may be used in connection with any provision of Federal law enacted in this Act or after the enactment of this Act that authorizes the use of rental assistance amounts in connection with such terminated or expired contracts: Provided further, That the Secretary may determine not to apply section 8(o)(6)(B) of the Act to housing vouchers during fiscal year 1996: Provided further, That of the total amount provided under this head, $610,575,000 shall be for amendments to section 8 contracts other than contracts for projects developed under section 202 of the Housing Act of 1959, as amended; and $261,000,000 shall be for section 8 assistance and rehabilitation grants for property disposition: Provided further, That during fiscal year 1996, the Secretary of Housing and Urban Development may manage and dispose of multifamily properties owned by the Secretary, including the provision for grants from the General Insurance Fund (12 U.S.C. 1735c) for the necessary costs of rehabilitation and other related development costs, and multifamily mortgages held by the Secretary without regard to any other provision of law: Provided further, That 50 per centum of the amounts of budget authority, or in lieu thereof 50 per centum of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100–628, 102 Stat 3224, 3268) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section: Provided further, That of the total amount provided under this head, $171,000,000 shall be for housing opportunities for persons with AIDS under title VIII, subtitle D of the Cranston-Gonzalez National Affordable Housing Act; and $65,000,000 shall be for the lead-based paint hazard reduction program as authorized under sections 1011 and 1053 of the Residential Lead-Based Hazard Reduction Act of 1992: Provided further, That the Secretary may make up to $5,000,000 of any amount recaptured in this account available for the development of performance and financial systems.

Of the total amount provided under this head, $624,000,000, plus amounts recaptured from interest reduction payment contracts for section 236 projects whose owners prepay their mortgages during fiscal year 1996 (which amounts shall be transferred and merged with this account), shall be for use in conjunction with properties that are eligible for assistance under the Low Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA) or the Emergency Low-Income Housing Preservation Act of 1987 (ELIHPA): Provided, That prior to July 1, 1996, funding to carry out plans of action shall be limited to sales of projects to nonprofit organizations, tenant-sponsored organizations, and other priority purchasers: Provided further, That of the amount made available by this paragraph, up to $10,000,000 shall be available for preservation technical assistance grants pursuant to section 253 of the Housing and Community Development Act of 1987, as amended: Provided further, That with respect to amounts made available by this paragraph, after July 1, 1996, if the Secretary determines that the demand for funding may exceed amounts available for such funding, the Secretary (1) may determine priorities for distributing available funds, including giving priority funding to tenants displaced due to mortgage prepayment and to projects that have not yet been funded but which have approved plans of action; and (2) may impose a temporary moratorium on applications by potential recipients of such funding: Provided further, That an owner of eligible low-income housing may prepay the mortgage or request voluntary termination of a mortgage insurance contract, so long as said owner agrees not to raise rents for sixty days after such prepayment: Provided further, That an owner of eligible low-income housing who has not timely filed a second notice under section 216(d) prior to the effective date of this Act may file such notice by March 1, 1996: Provided further, That such developments have been determined to have preservation equity at least equal to the lesser of $5,000 per unit or $500,000 per project or the equivalent of eight times the most recently published fair market rent for the area in which the project is located as the appropriate unit size for all of the units in the eligible project: Provided further, That the Secretary may modify the regulatory agreement to permit owners and priority purchasers to retain rental income in excess of the basic rental charge in projects assisted under section 236 of the National Housing Act, for the purpose of preserving the low and moderate income character of the housing: Provided further, That the Secretary may give priority to funding and processing the following projects provided that the funding is obligated not later than August 1, 1996: (1) projects with approved plans of action to retain the housing that file a modified plan of action no later than July 1, 1996 to transfer the housing; (2) projects with approved plans of action that are subject to a repayment or settlement agreement that was executed between the owner and the Secretary prior to September 1, 1995; (3) projects for which submissions were delayed as a result of their location in areas that were designated as a federal disaster area in a Presidential Disaster Declaration; and (4) projects whose processing was, in fact or in practical effect, suspended, deferred, or interrupted for a period of twelve months or more because of differing interpretations, by the Secretary and an owner or by the Secretary and a state or local rent regulatory agency, concerning the timing of filing eligibility or the effect of a presumptively applicable state or local rent control law or regulation on the determination of preservation value under section 213 of LIHPRHA, as amended, if the owner of such project filed notice of intent to extend the low-income affordability restrictions of the housing, or transfer to a qualified purchaser who would extend such restrictions, on or before November 1, 1993: Provided further, That eligible low-income housing shall include properties meeting the requirements of this paragraph with mortgages that are held by a State agency as a result of a sale by the Secretary without insurance, which immediately before the sale would have been eligible low-income housing under LIHPRHA: Provided further, That notwithstanding any other provision of law, subject to the availability of appropriated funds, each unassisted low-income family residing in the housing on the date of prepayment or voluntary termination, and whose rent, as a result of a rent increase occurring no later than one year after the date of the prepayment, exceeds 30 percent

*of adjusted income, shall be offered tenant-based assistance in accordance with section 8 or any successor program, under which the family shall pay no less for rent than it paid on such date: Provided further, That any family receiving tenant-based assistance under the preceding proviso may elect (1) to remain in the unit of the housing and if the rent exceeds the fair market rent or payment standard, as applicable, the rent shall be deemed to be the applicable standard, so long as the administering public housing agency finds that the rent is reasonable in comparison with rents charged for comparable unassisted housing units in the market or (2) to move from the housing and the rent will be subject to the fair market rent of the payment standard, as applicable, under existing program rules and procedures: Provided further, That up to $10,000,000 of the amount made available by this paragraph may be used at the discretion of the Secretary to reimburse owners of eligible properties for which plans of action were submitted prior to the effective date of this Act, but were not executed for lack of available funds, with such reimbursement available only for documented costs directly applicable to the preparation of the plan of action as determined by the Secretary, and shall be made available on terms and conditions to be established by the Secretary: Provided further, That, notwithstanding any other provision of law, effective October 1, 1996, the Secretary shall suspend further processing of preservation applications which do not have approved plans of action.*

*Of the total amount provided under this head, $780,190,000 shall be for capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for the elderly under section 202(c)(2) of the Housing Act of 1959; and $233,168,000 shall be for capital advances, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act; and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for persons with disabilities as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act: Provided, That the Secretary may designate up to 25 percent of the amounts earmarked under this paragraph for section 811 of the Cranston-Gonzalez National Affordable Housing Act for tenant-based assistance, as authorized under that section, which assistance is five-years in duration: Provided further, That the Secretary may waive any provision of section 202 of the Housing Act of 1959 and section 811 of the National Affordable Housing Act (including the provisions governing the terms and conditions of project rental assistance) that the Secretary determines is not necessary to achieve the objectives of these programs, or that otherwise impedes the ability to develop, operate or administer projects assisted under these programs, and may make provision for alternative conditions or terms where appropriate.*

*PUBLIC HOUSING DEMOLITION, SITE REVITALIZATION, AND REPLACEMENT HOUSING GRANTS*

*For grants to public housing agencies for the purposes of enabling the demolition of obsolete public housing projects or portions thereof, the revitalization (where appropriate) of sites (including remaining public housing units) on which such projects are located, replacement housing which will avoid or lessen concentrations of very low-income families, and tenant-based assistance in accordance with section 8 of the United States Housing Act of 1937 for the purpose of providing replacement housing and assisting tenants to be displaced by the demolition, $280,000,000, to remain available until expended: Provided, That the Secretary of Housing and Urban Development shall award such funds to public housing agencies by a competition which includes among other relevant criteria the local and national impact of the proposed demolition and revitalization activities and the extent to which the public housing agency could undertake such activities without the additional assistance to be provided hereunder: Provided further, That eligible expenditures hereunder shall be those expenditures eligible under section 8 and section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437f and l): Provided further, That the Secretary may impose such conditions and requirements as the Secretary deems appropriate to effectuate the purposes of this paragraph: Provided further, That the Secretary may require an agency selected to receive funding to make arrangements satisfactory to the Secretary for use of an entity other than the agency to carry out this program where the Secretary determines that such action will help to effectuate the purpose of this paragraph: Provided further, That in the event an agency selected to receive funding does not proceed expeditiously as determined by the Secretary, the Secretary shall withdraw any funding made available pursuant to this paragraph that has not been obligated by the agency and distribute such funds to one or more other eligible agencies, or to other entities capable of proceeding expeditiously in the same locality with the original program: Provided further, That of the foregoing $280,000,000, the Secretary may use up to .67 per centum for technical assistance, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies and to residents: Provided further, That any replacement housing provided with assistance under this head shall be subject to section 18(f) of the United States Housing Act of 1937, as amended by section 201(b)(2) of this Act*

And the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

*DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING*

*For grants to public and Indian housing agencies for use in eliminating crime in public housing projects authorized by 42 U.S.C. 11901–11908, for grants for federally assisted low-income housing authorized by 42 U.S.C. 11909, and for drug information clearinghouse services authorized by 42 U.S.C. 11921–11925, $290,000,000, to remain available until expended, of which $10,000,000 shall be for grants, technical assistance, contracts and other assistance training, program assessment, and execution for or on behalf of public housing agencies and resident organizations (including the cost of necessary travel for participants in such training) and of which $2,500,000 shall be used in connection with efforts to combat violent crime in public and assisted housing under the Operation Safe Home program administered by the Inspector General of the Department of Housing and Urban Development: Provided, That the term ''drug-related crime'', as defined in 42 U.S.C. 11905(2), shall also include other types of crime as determined by the Secretary.*

And the Senate agree to the same.

Amendment numbered 23:

That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$823,000,000*; and the Senate agree to the same.

Amendment numbered 25:

That the House recede from its disagreement to the amendment of the senate numbered 25, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$50,000,000*; and the Senate agree to the same.

Amendment numbered 31:

That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

*Of the amount provided under this heading, the Secretary of Housing and Urban Development may use up to $53,000,000 for grants to public housing agencies (including Indian housing authorities), nonprofit corporations, and other appropriate entities for a supportive services program to assist residents of public and assisted housing, former residents of such housing receiving tenant-based assistance under section 8 of such Act (42 U.S.C. 1437f), and other low-income families and individuals to become self-sufficient: Provided, That the program shall provide supportive services, principally for the benefit of public housing residents, to the elderly and the disabled, and to families with children where the head of household would benefit from the receipt of supportive services and is working, seeking work, or is preparing for work by participating in job training or educational programs: Provided further, That the supportive services shall include congregate services for the elderly and disabled, service coordinators, and coordinated educational, training, and other supportive services, including academic skills training, job search assistance, assistance related to retaining employment, vocational and entrepreneurship development and support programs, transportation, and child care: Provided further, That the Secretary shall require applicants to demonstrate firm commitments of funding or services from other sources: Provided further, That the Secretary shall select public and Indian housing agencies to receive assistance under this head on a competitive basis, taking into account the quality of the proposed program (including any innovative approaches), the extent of the proposed coordination of supportive services, the extent of commitments of funding or services from other sources, the extent to which the proposed program includes reasonably achievable, quantifiable goals for measuring performance under the program over a three-year period, the extent of success an agency has had in carrying out other comparable initiatives, and other appropriate criteria established by the Secretary.*

*Of the amount made available under this heading, notwithstanding any other provision of law, $12,000,000 shall be available for contracts, grants, and other assistance, other than loans, not otherwise provided for, for providing counseling and advice to tenants and homeowners both current and prospective, with respect to property maintenance, financial management, and such other matters as may be appropriate to assist them in improving their housing conditions and meeting the responsibilities of tenancy or homeownership, including provisions for training and for support of voluntary agencies and services as authorized by section 106 of the Housing and Urban Development Act of 1968, as amended, notwithstanding section 106(c)(9) and section 106(d)(13) of such Act.*

*Of the amount made available under this heading, notwithstanding any other provision of law, $15,000,000 shall be available for the tenant opportunity program.*

*Of the amount made available under this heading, notwithstanding any other provision of law, $20,000,000 shall be available for youth build program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, and such*

activities shall be an eligible activity with respect to any funds made available under this heading.

And the Senate agree to the same.

Amendment numbered 32:

That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$31,750,000*; and the Senate agree to the same.

Amendment numbered 33:

That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

*$1,500,000,000: Provided further, That the Secretary of Housing and Urban Development may make guarantees not to exceed the immediately foregoing amount notwithstanding the aggregate limitation on guarantees set forth in section 108(k) of the Housing and Community Development Act of 1974*; and the Senate agree to the same.

Amendment numbered 36:

That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

*FAIR HOUSING AND EQUAL OPPORTUNITY*

*FAIR HOUSING ACTIVITIES*

*For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and for contracts with qualified fair housing enforcement organizations, as authorized by section 561 of the Housing and Community Development Act of 1987, as amended by the Housing and Community Development Act of 1992, $30,000,000, to remain available until September 30, 1997.*

And the Senate agree to the same.

Amendment numbered 37:

That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$962,558,000*; and the Senate agree to the same.

Amendment numbered 41:

That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$47,850,000*; and the Senate agree to the same.

Amendment numbered 48:

That the House receded from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert:

*For the cost of guaranteed loans, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z-3 and 1735c), including the cost of modifying such loans; $85,000,000, to remain available until expended: Provided, That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total*; and the Senate agree to the same.

Amendment numbered 58:

That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

***SEC. 201. EXTEND ADMINISTRATIVE PROVISIONS FROM THE RESCISSION ACT.***

*(a) PUBLIC AND INDIAN HOUSING MODERNIZATION.—*

*(1) Expansion of use of modernization funding.—Subsection 14(q) of the United States Housing Act of 1937 is amended to read as follows:*

*''(q)(1) In addition to the purposes enumerated in subsections (a) and (b), a public housing agency may use modernization assistance provided under section 14, and development assistance provided under section 5(a) that was not allocated, as determined by the secretary, for priority replacement housing, for any eligible activity authorized by this section, by section 5, or by applicable Appropriations Acts for a public housing agency, including the demolition, rehabilitation, revitalization, and replacement of existing units and projects and, for up to 10 percent of its allocation of such funds in any fiscal year, for any operating subsidy purpose authorized in section 9. Except for assistance used for operating subsidy purposes under the preceding sentence, assistance provided to a public housing agency under this section shall principally be used for the physical improvement or replacement of public housing and for associated management improvements, except as otherwise approved by the Secretary. Public housing units assisted under this paragraph shall be eligible for operating subsidies, unless the Secretary determines that such units or projects have not received sufficient assistance under this Act or do not meet other requirements of this Act.*

*''(2) A public housing agency may provide assistance to developments that include units for other than very low-income families ('mixed income developments'), in the form of a grant, loan, operating assistance, or other form of investment which may be made to—*

*(A) a partnership, a limited liability company, or other legal entity in which the public housing agency or its affiliate is a general partner managing member, or otherwise participates in the activities of such entity; or*

*(B) any entity which grants to the public housing agency the option to purchase the development within 20 years after initial occupancy in accordance with section 42(i)(7) of the Internal Revenue Code of 1986, as amended. Units shall be made available in such developments for periods of not less than 20 years, by master contract or by individual lease, for occupancy by low-income families referred from time to time by the public housing agency. The number of such units shall be:*

*(i) in the same proportion to the total number of units in such development that the total financial commitment provided by the public housing agency bears to the value of the total financial commitment in the development, or*

*(ii) not be less than the number of units that could have been developed under the convention public housing program with the assistance involved, or*

*(iii) as may otherwise be approved by the Secretary.*

*''(3) A mixed income development may elect to have all units subject only to the applicable local real estate taxes, notwithstanding that the low-income units assisted by public housing funds would otherwise be subject to section 6(d) of the Housing Act of 1937.*

*''(4) If an entity that owns or operates a mixed-income project under this subsection enters into a contract with a public housing agency, the terms of which obligate the entity to operate and maintain a specified number of units in the project as public housing units in accordance with the requirements of this Act for the period required by law, such contractual terms may provide that, if, as a result of a reduction in appropriations under section 9, or any other change in applicable law, the public housing agency is unable to fulfill its contractual obligations with respect to those public housing units, that entity may deviate, under procedures and requirements developed through regulations by the Secretary, from otherwise applicable restrictions under this Act regarding rents, income eligibility, and other areas of public housing management with respect to a portion or all of those public housing units, to the extent necessary to preserve the viability of those units while maintaining the low-income character of the units, to the maximum extent practicable.''.*

*(2) APPLICABILITY.—Section 14(q) of the United States Housing Act of 1937. As amended by subsection (a) of this section, shall be effective only with respect to assistance provided from funds made available for fiscal year 1996 or any preceding fiscal year.*

*(3) APPLICABILITY TO IHAS.—In accordance with section 201(b)(2) of the United States Housing Act of 1937, the amendment made by this subsection shall apply to public housing developed or operated pursuant to a contract between the Secretary of Housing and Urban Development and an Indian housing authority.*

*(b) ONE-FOR-ONE REPLACEMENT OF PUBLIC AND INDIAN HOUSING.—*

*(1) EXTENDED AUTHORITY.—Section 1002(d) of Public Law 104–19 is amended to read as follows:*

*''(d) Subsections (a), (b), and (c) shall be effective for applications for the demolition, disposition, or conversion of homeownership of public housing approved by the Secretary, and other consolidation and relocation activities of public housing agencies undertaken, on, before, or after September 30, 1995 and before September 30, 1996.''.*

*(2) Section 18(f) of the United States Housing Act of 1937 is amended by adding at the end the following new sentence:*

*''No one may rely on the preceding sentence as the basis for reconsidering a final order of a court issued, or a settlement approved by, a court.''.*

*(3) APPLICABILITY.—In accordance with section 201(b)(2) of the United States Housing Act of 1937, the amendments made by this subsection and by sections 1002 (a), (b), and (c) of Public Law 104–19 shall apply to public housing developed or operated pursuant to a contract between the Secretary of Housing and Urban Development and an Indian housing authority.*

***SEC. 202. PUBLIC AND ASSISTED HOUSING RENTS, INCOME ADJUSTMENTS, AND PREFERENCES.***

*(a) MINIMUM RENTS.—Notwithstanding sections 3(a) and 8(o)(2) of the United States Housing Act of 1937, as amended, effective for fiscal year 1996 and no later than October 30, 1995—*

*(1) public housing agencies shall require each family who is assisted under the certificate or moderate rehabilitation program under section 8 of such Act to pay a minimum monthly rent of not less than $25, and may require a minimum monthly rent of up to $50;*

*(2) public housing agencies shall reduce the monthly assistance payment on behalf of each family who is assisted under the voucher program under section 8 of such Act so that the family pays a minimum monthly rent of not less than $25, and may require a minimum monthly rent of up to $50;*

*(3) with respect to housing assisted under other programs for rental assistance under section 8 of such Act, the Secretary shall require each family who is assisted under such program to pay a minimum monthly rent of not less than $25 for the unit, and may require a minimum monthly rent of up to $50; and*

*(4) public housing agencies shall require each family who is assisted under the public housing program (including public housing for Indian families) of such Act to pay a minimum monthly rent of not less than $25, and may require a minimum monthly rent of up to $50.*

*(b) ESTABLISHMENT OF CEILING RENTS.—*

*(1) Section 3(a)(2) of the United States Housing Act of 1937 is amended to read as follows:*

*''(2) Notwithstanding paragraph (1), a public housing agency may—*

''(A) adopt ceiling rents that reflect the reasonable market value of the housing, but that are not less than the monthly costs—

''(i) to operate the housing of the agency; and

''(ii) to make a deposit to a replacement reserve (in the sole discretion of the public housing agency); and

''(B) allow families to pay ceiling rents referred to in subparagraph (A), unless, with respect to any family, the ceiling rent established under this paragraph would exceed the amount payable as rent by that family under paragraph (1).''.

(2) Regulations.—

(A) IN GENERAL.—The Secretary shall, by regulation, after notice and an opportunity for public comment, establish such requirements as may be necessary to carry out section 3(a)(2)(A) of the United States Housing Act of 1937, as amended by paragraph (1).

(B) TRANSITION RULE.—Prior to the issuance of final regulations under paragraph (1), a public housing agency may implement ceiling rents, which shall be not less than the monthly costs to operate the housing of the agency and—

(i) determined in accordance with section 3(a)(2)(A) of the United States Housing Act of 1937, as that section existed on the day before enactment of this Act;

(ii) equal to the 95th percentile of the rent paid for a unit of comparable size by tenants in the same public housing project or a group of comparable projects totaling 50 units or more; or

(iii) equal to the fair market rent for the area in which the unit is located.

(c) DEFINITION OF ADJUSTED INCOME.—Section 3(b)(5) of the United States Housing Act of 1937 is amended—

(1) at the end of subparagraph (F), by striking ''and'';

(2) at the end of subparagraph (G), by striking the period and inserting ''; and''; and

(3) by inserting after subparagraph (G) the following:

''(H) for public housing, any other adjustments to earned income established by the public housing agency. If a public housing agency adopts other adjustments to income pursuant to subparagraph (H), the Secretary shall not take into account any reduction of or increase in the public housing agency's per unit dwelling rental income resulting from those adjustments when calculating the contributions under section 9 for the public housing agency for the operation of the public housing.''.

(d) REPEAL OF FEDERAL PREFERENCES.—

(1) PUBLIC HOUSING.—Section 6(c)(4)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437d(c)(4)(A)) is amended to read as follows:

''(A) the establishment, after public notice and an opportunity for public comment, of a written system of preferences for admission to public housing, if any, that is not inconsistent with the comprehensive housing affordability strategy under title I of the Cranston-Gonzalez National Affordable Housing Act;''.

(2) SECTION 8 EXISTING AND MODERATE REHABILITATION.—Section 8(d)(1)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(A)) is amended to read as follows:

''(A) the selection of tenants shall be the function of the owner, subject to the provisions of the annual contributions contract between the Secretary and the agency, except that for the certificate and moderate rehabilitation programs only, for the purpose of selecting families to be assisted, the public housing agency may establish, after public notice and an opportunity for public comment, a written system of preferences for selection that is not inconsistent with the comprehensive housing affordability strategy under title I of the Cranston-Gonzalez National Affordable Housing Act;''.

(3) SECTION 8 VOUCHER PROGRAM.—Section 8(o)(3)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(3)(B)) is amended to read as follows:

''(B) For the purpose of selecting families to be assisted under this subsection, the public housing agency may establish, after public notice and an opportunity for public comment, a written system of preferences for selection that is not inconsistent with the comprehensive housing affordability strategy under title I of the Cranston-Gonzalez National Affordable Housing Act.''.

(4) SECTION 8 NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION.—

(A) REPEAL.—Section 545(c) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note) is amended to read as follows:

''(c) [Reserved.]''.

(B) PROHIBITION.—Notwithstanding any other provision of law, no Federal tenant selection preferences under the United States Housing Act of 1937 shall apply with respect to—

(i) housing constructed or substantially rehabilitated pursuant to assistance provided under section 8(b)(2) of the United States Housing Act of 1937 (as such section existed on the day before October 1, 1983); or

(ii) projects financed under section 202 of the Housing Act of 1959 (as such section existed on the day before the date of enactment of the Cranston-Gonzalez National Affordable Housing Act).

(5) RENT SUPPLEMENTS.—Section 101(k) of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s(k)) is amended to read as follows:

''(k) [Reserved.]''.

(6) CONFORMING AMENDMENTS.—

(A) UNITED STATES HOUSING ACT OF 1937.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(i) in section 6(o), by striking ''preference rules specified in'' and inserting ''written system of preferences for selection established pursuant to'';

(ii) in the second sentence of section 7(a)(2), by striking ''according to the preferences for occupancy under'' and inserting ''in accordance with the written system of preferences for selection established pursuant to'';

(iii) in section 8(d)(2)(A), by striking the last sentence;

(iv) in section 8(d)(2)(H), by striking ''Notwithstanding subsection (d)(1)(A)(i), an'' and inserting ''An'';

(v) in section 16(c), in the second sentence, by striking ''the system of preferences established by the agency pursuant to section 6(c)(4)(A)(ii)'' and inserting ''the written system of preferences for selection established by the public housing agency pursuant to section 6(c)(4)(A)''; and

(vi) in section 24(e)—

(I) by striking ''(e) EXCEPTIONS'' and all that follows through ''The Secretary may'' and inserting the following:

''(e) EXCEPTION TO GENERAL PROGRAM REQUIREMENTS.—The Secretary may''; and

(II) by striking paragraph (2).

(B) CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT.—Section 522(f)(6)(B) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704 et seq.) is amended by striking ''any preferences for such assistance under section 8(d)(1)(A)(i)'' and inserting ''the written system of preferences for selection established pursuant to section 8(d)(1)(A)''.

(C) HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1992.—Section 655 of the Housing and Community Development Act of 1992 (42 U.S.C. 13615) is amended by striking ''the preferences'' and all that follows up to the period at the end and inserting ''any preferences''.

(D) REFERENCES IN OTHER LAW.—Any reference in any Federal law other than any provision of any law amended by paragraphs (1) through (5) of this subsection to the preferences for assistance under section 6(c)(4)(A)(i), 8(d)(1)(A)(i), or 8(o)(3)(B) of the United States Housing Act of 1937 (as such sections existed on the day before the date of enactment of this Act) shall be considered to refer to the written system of preferences for selection established pursuant to section 6(c)(4)(A), 8(d)(1)(A), or 8(o)(3)(B), respectively, of the United States Housing Act of 1937, as amended by this section.

(e) APPLICABILITY.—In accordance with section 201(b)(2) of the United States Housing Act of 1937, the amendments made by subsections (a), (b), (c), (d), and (f) of this section shall also apply to public housing developed or operated pursuant to a contract between the Secretary of Housing and Urban Development and an Indian housing authority.

(f) This section shall be effective upon the enactment of this Act and only for fiscal year 1996.

***SEC. 203. CONVERSION OF CERTAIN PUBLIC HOUSING TO VOUCHERS.***

(a) IDENTIFICATION OF UNITS.—Each public housing agency shall identify any public housing developments—

(1) that are on the same or contiguous sites;

(2) that total more than—

(A) 300 dwelling units; or

(B) in the case of high-rise family buildings or substantially vacant buildings, 300 dwelling units;

(3) that have a vacancy rate of at least 10 percent for dwelling units not in funded, on-schedule modernization programs;

(4) identified as distressed housing that the public housing agency cannot assure the long-term viability as public housing through reasonable revitalization, density reduction, or achievement of a broader range of household income; and

(5) for which the estimated cost of continued operation and modernization of the developments as public housing exceeds the cost of providing tenant-based assistance under section 8 of the United States Housing Act of 1937 for all families in occupancy, based on appropriate indicators of cost (such as the percentage of total development cost required for modernization).

(b) IMPLEMENTATION AND ENFORCEMENT.—

(1) STANDARDS FOR IMPLEMENTATION.—The Secretary shall establish standards to permit implementation of this section in fiscal year 1996.

(2) CONSULTATION.—Each public housing agency shall consult with the applicable public housing tenants and the unit of general local government in identifying any public housing developments under subsection (a).

(3) FAILURE OF PHAS TO COMPLY WITH SUBSECTION (A).—Where the Secretary determines that—

(A) a public housing agency has failed under subsection (a) to identify public housing developments for removal from the inventory of the agency in a timely manner;

(B) a public housing agency has failed to identify one or more public housing developments which the Secretary determines should have been identified under subsection (a); or

(C) one or more of the developments identified by the public housing agency pursuant to subsection (a) should not, in the determination of the Secretary, have been identified under that subsection;

the Secretary may designate the developments to be removed from the inventory of the public housing agency pursuant to this section.

(c) REMOVAL OF UNITS FROM THE INVENTORIES OF PUBLIC HOUSING AGENCIES.—

(1) Each public housing agency shall develop and carry out a plan in conjunction with the Secretary for the removal of public housing units identified under subsection (a) or subsection (b)(3), over a period of up to five years, from the inventory of the public housing agency and the annual contributions contract. The plan shall be approved by the relevant local official as not inconsistent with the Comprehensive Housing Affordability Strategy under title I of the Housing and Community Development Act of 1992, including a description of any disposition and demolition plan for the public housing units.

(2) The Secretary may extend the deadline in paragraph (1) for up to an additional five years where the Secretary makes a determination that the deadline is impracticable.

(3) The Secretary shall take appropriate actions to ensure removal of developments identified under subsection (a) or subsection (b)(3)

from the inventory of a public housing agency, if the public housing agency fails to adequately develop a plan under paragraph (1), or fails to adequately implement such plan in accordance with the terms of the plan.

(4) To the extent approved in appropriations Acts, the Secretary may establish requirements and provide funding under the Urban Revitalization Demonstration program for demolition and disposition of public housing under this section.

(5) Notwithstanding any other provision of law, if a development is removed from the inventory of a public housing agency and the annual contributions contract pursuant to paragraph (1), the Secretary may authorize or direct the transfer of—

(A) in the case of an agency receiving assistance under the comprehensive improvement assistance program, any amounts obligated by the Secretary for the modernization of such development pursuant to section 14 of the United States Housing Act of 1937;

(B) in the case of an agency receiving public and Indian housing modernization assistance by formula pursuant to section 14 of the United States Housing Act of 1937, any amounts provided to the agency which are attributable pursuant to the formula for allocating such assistance to the development removed from the inventory of that agency; and

(C) in the case of an agency receiving assistance for the major reconstruction of obsolete projects, any amounts obligated by the Secretary for the major reconstruction of the development pursuant to section 5 of such Act,

to the tenant-based assistance program or appropriate site revitalization of such agency.

(6) Cessation of unnecessary spending.—Notwithstanding any other provision of law, if, in the determination of the Secretary, a development meets or is likely to meet the criteria set forth in subsection (a), the Secretary may direct the public housing agency to cease additional spending in connection with the development, except to the extent that additional spending is necessary to ensure decent, safe, and sanitary housing until the Secretary determines or approves an appropriate course of action with respect to such development under this section.

(d) CONVERSION TO TENANT-BASED ASSISTANCE.—

(1) The Secretary shall make authority available to a public housing agency to provide tenant-based assistance pursuant to section 8 to families residing in any development that is removed from the inventory of the public housing agency and the annual contributions contract pursuant to subsection (b).

(2) Each conversion plan under subsection (c) shall—

(A) require the agency to notify families residing in the development, consistent with any guidelines issued by the Secretary governing such notifications, that the development shall be removed from the inventory of the public housing agency and the families shall receive tenant-based or project-based assistance, and to provide any necessary counseling for families; and

(B) ensure that all tenants affected by a determination under this section that a development shall be removed from the inventory of a public housing agency shall be offered tenant-based or project-based assistance and shall be relocated, as necessary, to other decent, safe, sanitary, and affordable housing which is, to the maximum extent practicable, housing of their choice.

(e) IN GENERAL.—

(1) The Secretary may require a public housing agency to provide such information as the Secretary considers necessary for the administration of this section.

(2) As used in this section, the term ''development'' shall refer to a project or projects, or to portions of a project or projects, as appropriate.

(3) Section 18 of the United States Housing Act of 1937 shall not apply to the demolition of developments removed from the inventory of the public housing agency under this section.

**SEC. 204. STREAMLINING SECTION 8 TENANT-BASED ASSISTANCE.**

(a) ''TAKE-ONE, TAKE-ALL''.—Section 8(t) of the United States Housing Act of 1937 is hereby repealed.

(b) EXEMPTION FROM NOTICE REQUIREMENTS FOR THE CERTIFICATE AND VOUCHER PROGRAMS.—Section 8(c) of such Act is amended—

(1) in paragraph (8), by inserting after ''section'' the following: ''(other than a contract for assistance under the certificate or voucher program)''; and

(2) in the first sentence of paragraph (9), by striking ''(but not less than 90 days in the case of housing certificates or vouchers under subsection (b) or (o))'' and inserting '', other than a contract under the certificate or voucher program''.

(c) ENDLESS LEASE.—Section 8(d)(1)(B) of such Act is amended—

(1) in clause (ii), by inserting ''during the term of the lease,'' after ''(ii)''; and

(2) in clause (iii), by striking ''provide that'' and inserting ''during the term of the lease,''.

(d) APPLICABILITY.—The provisions of this section shall be effective for fiscal year 1996 only.

**Sec. 205. SECTION 8 FAIR MARKET RENTALS, ADMINISTRATIVE FEES, AND DELAY IN REISSUANCE.**

(a) FAIR MARKET RENTALS.—The Secretary shall establish fair market rentals for purposes of section 8(c)(1) of the United States Housing Act of 1937, as amended, that shall be effective for fiscal year 1996 and shall be based on the 40th percentile rent of rental distributions of standard quality rental housing units. In establishing such fair market rentals, the Secretary shall consider only the rents for dwelling units occupied by recent movers and may not consider the rents for public housing dwelling units or newly constructed rental dwelling units.

(b) ADMINISTRATIVE FEES.—Notwithstanding sections 8(q)(1) and (4) of the United States Housing Act of 1937, for fiscal year 1996, the fee for each month for which a dwelling unit is covered by an assistance contract under the certificate, voucher, or moderate rehabilitation program under section 8 of such Act shall be equal to the monthly fee payable for fiscal year 1995: Provided, That this subsection shall be applicable to all amounts made available for such fees during fiscal year 1996, as if in effect on October 1, 1995.

(c) DELAY REISSUANCE OF VOUCHERS AND CERTIFICATES.—Notwithstanding any other provision of law, a public housing agency administering certificate or voucher assistance provided under subsection (b) or (o) of section 8 of the United States Housing Act of 1937, as amended, shall delay for 3 months, the use of any amounts of such assistance (or the certificate or voucher representing assistance amounts) made available by the termination during fiscal year 1996 of such assistance on behalf of any family for any reason, but not later than October 1, 1996; with the exception of any certificates assigned or committed to project based assistance as permitted otherwise by the Act, accomplished prior to the effective date of this Act.

**SEC. 206. PUBLIC HOUSING/SECTION 8 MOVING TO WORK DEMONSTRATION.**

(a) PURPOSE.—The purpose of this demonstration is to give public housing agencies and the Secretary of Housing and Urban Development the flexibility to design and test various approaches for providing and administering housing assistance that: reduce cost and achieve greater cost effectiveness in Federal expenditures; give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and increase housing choices for low-income families.

(b) PROGRAM AUTHORITY.—The Secretary of Housing and Urban Development shall conduct a demonstration program under this section beginning in fiscal year 1996 under which up to 30 public housing agencies (including Indian housing authorities) administering the public or Indian housing program and the section 8 housing assistance payments program, administering a total number of public housing units not in excess of 25,000, may be selected by the Secretary to participate. The Secretary shall provide training and technical assistance during the demonstration and conduct detailed evaluations of up to 15 such agencies in an effort to identify replicable program models promoting the purpose of the demonstration. Under the demonstration, notwithstanding any provision of the United States Housing Act of 1937 except as provided in subsection (e), an agency may combine operating assistance provided under section 9 of the United States Housing Act of 1937, modernization assistance provided under section 14 of such Act, and assistance provided under section 8 of such Act for the certificate and voucher programs, to provide housing assistance for low-income families, as defined in section 3(b)(2) of the United States Housing Act of 1937, and services to facilitate the transition to work on such terms and conditions as the agency may propose and the Secretary may approve.

(c) APPLICATION.—An application to participate in the demonstration—

(1) shall request authority to combine assistance under sections 8, 9, and 14 of the United States Housing Act of 1937;

(2) shall be submitted only after the public housing agency provides for citizen participation through a public hearing and, if appropriate, other means;

(3) shall include a plan developed by the agency that takes into account comments from the public hearing and any other public comments on the proposed program, and comments from current and prospective residents who would be affected, and that includes criteria for—

(A) families to be assisted, which shall require that at least 75 percent of the families assisted by participating demonstration public housing authorities shall be very low-income families, as defined in section 3(b)(2) of the United States Housing Act of 1937, and at least 50 percent of the families selected shall have incomes that do not exceed 30 percent of the median family income for the area, 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 median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family income;

(B) establishing a reasonable rent policy, which shall be designed to encourage employment and self-sufficiency by participating families, consistent with the purpose of this demonstration, such as by excluding some or all of a family's earned income for purposes of determining rent;

(C) continuing to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined;

(D) maintaining a comparable mix of families (by family size) as would have been provided had the amounts not been used under the demonstration; and

(E) assuring that housing assisted under the demonstration program meets housing quality standards established or approved by the Secretary; and

(4) may request assistance for training and technical assistance to assist with design of the demonstration and to participate in a detailed evaluation.

(d) SELECTION.—In selecting among applications, the Secretary shall take into account the potential of each agency to plan and carry out

*a program under the demonstration, the relative performance by an agency under the public housing management assessment program under section 6(j) of the United States Housing Act of 1937, and other appropriate factors as determined by the Secretary.*

*(e) APPLICABILITY OF 1937 ACT PROVISIONS.—*

*(1) Section 18 of the United States Housing Act of 1937 shall continue to apply to public housing notwithstanding any use of the housing under this demonstration.*

*(2) Section 12 of such Act shall apply to housing assisted under the demonstration, other than housing assisted solely due to occupancy by families receiving tenant-based assistance.*

*(f) EFFECT ON SECTION 8, OPERATING SUBSIDIES, AND COMPREHENSIVE GRANT PROGRAM ALLOCATIONS.—The amount of assistance received under section 8, section 9, or pursuant to section 14 by a public housing agency participating in the demonstration under this part shall not be diminished by its participation.*

*(g) RECORDS, REPORTS, AND AUDITS.—*

*(1) KEEPING OF RECORDS.—Each agency shall keep such records as the Secretary may prescribe as reasonably necessary to disclose the amounts and the disposition of amounts under this demonstration, to ensure compliance with the requirements of this section, and to measure performance.*

*(2) REPORTS.—Each agency shall submit to the Secretary a report, or series of reports, in a form and at a time specified by the Secretary. Each report shall—*

*(A) document the use of funds made available under this section;*

*(B) provide such data as the Secretary may request to assist the Secretary in assessing the demonstration; and*

*(C) describe and analyze the effect of assisted activities in addressing the objectives of this part.*

*(3) ACCESS TO DOCUMENTS BY THE SECRETARY.—The Secretary shall have access for the purpose of audit and examination to any books, documents, papers, and records that are pertinent to assistance in connection with, and the requirements of, this section.*

*(4) ACCESS TO DOCUMENTS BY THE COMPTROLLER GENERAL.—The Comptroller General of the United States, or any of the duly authorized representatives of the Comptroller General, shall have access for the purpose of audit and examination of any books, documents, papers, and records that are pertinent to assistance in connection with, and the requirements of, this section.*

*(h) EVALUATION AND REPORT.—*

*(1) CONSULTATION WITH PHA AND FAMILY REPRESENTATIVES.—In making assessments throughout the demonstration, the Secretary shall consult with representatives of public housing agencies and residents.*

*(2) REPORT TO CONGRESS.—Not later than 180 days after the end of the third year of the demonstration, the Secretary shall submit to the Congress a report evaluating the programs carried out under the demonstration. The report shall also include findings and recommendations for any appropriate legislative action.*

*(i) FUNDING FOR TECHNICAL ASSISTANCE AND EVALUATION.—From amounts appropriated for assistance under section 14 of the United States Housing Act of 1937 for fiscal years 1996, 1997, and 1998, the Secretary may use up to a total of $5,000,000—*

*(1) to provide, directly or by contract, training and technical assistance—*

*(A) to public housing agencies that express an interest to apply for training and technical assistance pursuant to subsection (c)(4), to assist them in designing programs to be proposed for the demonstration; and*

*(B) to up to 10 agencies selected to receive training and technical assistance pursuant to subsection (c)(4), to assist them in implementing the approved program; and*

*(2) to conduct detailed evaluations of the activities of the public housing agencies under paragraph (1)(B), directly or by contract.*

***SEC. 207. REPEAL OF PROVISIONS REGARDING INCOME DISREGARDS.***

*(a) MAXIMUM ANNUAL LIMITATION ON RENT INCREASES RESULTING FROM EMPLOYMENT.—Section 957 of the Cranston-Gonzalez National Affordable Housing Act is hereby repealed, retroactive to November 28, 1990, and shall be of no effect.*

*(b) ECONOMIC INDEPENDENCE.—Section 923 of the Housing and Community Development Act of 1992 is hereby repealed, retroactive to October 28, 1992, and shall be of no effect.*

***SEC. 208. EXTENSION OF MULTIFAMILY HOUSING FINANCE PROGRAMS.***

*(a) The first sentence of section 542(b)(5) of the Housing and Community Development Act of 1992 (12 U.S.C. 1707 note) is amended by striking ''on not more than 15,000 units over fiscal years 1993 and 1994'' and inserting ''on not more than 7,500 units during fiscal year 1996''.*

*(b) The first sentence of section 542(c)(4) of the Housing and Community Development Act of 1992 (12 U.S.C. 1707 note) is amended by striking ''on not to exceed 30,000 units over fiscal years 1993, 1994, and 1995'' and inserting ''on not more than 10,000 units during fiscal year 1996''.*

***SEC. 209. FORECLOSURE OF HUD-HELD MORTGAGES THROUGH THIRD PARTIES.***

*During fiscal year 1996, the Secretary of Housing and Urban Development may delegate to one or more entities the authority to carry out some or all of the functions and responsibilities of the Secretary in connection with the foreclosure of mortgages held by the Secretary under the National Housing Act.*

***SEC. 210. RESTRUCTURING OF THE HUD MULTIFAMILY MORTGAGE PORTFOLIO THROUGH STATE HOUSING FINANCE AGENCIES.***

*During fiscal year 1996, the Secretary of Housing and Urban Development may sell or otherwise transfer multifamily mortgages held by the Secretary under the National Housing Act to a State housing finance agency in connection with a program authorized under section 542 (b) or (c) of the Housing and Community Development Act of 1992 without regard to the unit limitations in section 542(b)(5) or 542(c)(4) of such Act.*

***SEC. 211. TRANSFER OF SECTION 8 AUTHORITY.***

*(a) Section 8 of the United States Housing Act of 1937 is amended by adding the following new subsection at the end:*

*''(bb) TRANSFER OF BUDGET AUTHORITY.—If an assistance contract under this section, other than a contract for tenant-based assistance, is terminated or is not renewed, or if the contract expires, the Secretary shall, in order to provide continued assistance to eligible families, including eligible families receiving the benefit of the project-based assistance at the time of the termination, transfer any budget authority remaining in the contract to another contract. The transfer shall be under such terms as the Secretary may prescribe.''.*

***SEC. 212. DOCUMENTATION OF MULTIFAMILY REFINANCING.***

*Notwithstanding the 16th paragraph under the item relating to ''administrative provisions'' in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995 (Public Law 103–327; 108 Stat. 2316), the amendments to section 223(a)(7) of the National Housing Act made by the 15th paragraph of such Act shall be effective during fiscal year 1996 and thereafter.*

***SEC. 213. FHA MULTIFAMILY DEMONSTRATION AUTHORITY.***

*(a) On and after October 1, 1995, and before October 1, 1997, the Secretary of Housing and Urban Development shall initiate a demonstration program with respect to multifamily projects whose owners agree to participate and whose mortgages are insured under the National Housing Act and that are assisted under section 8 of the United States Housing Act of 1937 and whose present section 8 rents are, in the aggregate, in excess of the fair market rent of the locality in which the project is located. These programs shall be designed to test the feasibility and desirability of the goal of ensuring, to the maximum extent practicable, that the debt service and operating expenses, including adequate reserves, attributable to such multifamily projects can be supported with or without mortgage insurance under the National Housing Act and with or without above-market rents and utilizing project-based assistance or, with the consent of the property owner, tenant based assistance, while taking into account the need for assistance of low and very low income families in such projects. In carrying out this demonstration, the Secretary may use arrangements with third parties, under which the Secretary may provide for the assumption by the third parties (by delegation, contract, or otherwise) of some or all of the functions, obligations, and benefits of the Secretary.*

*(1) GOALS.—The Secretary of Housing and Urban Development shall carry out the demonstration programs under this section in a manner that—*

*(A) will protect the financial interests of the Federal Government;*

*(B) will result in significant discretionary cost savings through debt restructuring and subsidy reduction; and*

*(C) will, in the least costly fashion, address the goals of—*

*(i) maintaining existing housing stock in a decent, safe, and sanitary condition;*

*(ii) minimizing the involuntary displacement of tenants;*

*(iii) restructuring the mortgages of such projects in a manner that is consistent with local housing market conditions;*

*(iv) supporting fair housing strategies;*

*(v) minimizing any adverse income tax impact on property owners; and*

*(vi) minimizing any adverse impact on residential neighborhoods.*

*In determining the manner in which a mortgage is to be restructured or the subsidy reduced, the Secretary may balance competing goals relating to individual projects in a manner that will further the purposes of this section.*

*(2) DEMONSTRATION APPROACHES.—In carrying out the demonstration programs, subject to the appropriation in subsection (f), the Secretary may use one or more of the following approaches:*

*(A) Joint venture arrangements with third parties, under which the Secretary may provide for the assumption by the third parties (by delegation, contract, or otherwise) of some or all of the functions, obligations, and benefits of the Secretary.*

*(B) Subsidization of the debt service of the project to a level that can be paid by an owner receiving an unsubsidized market rent.*

*(C) Renewal of existing project-based assistance contracts where the Secretary shall approve proposed initial rent levels that do not exceed the greater of 120 percent of fair market rents or comparable market rents for the relevant metropolitan market area or at rent levels under a budget-based approach.*

*(D) Nonrenewal of expiring existing project-based assistance contracts and providing tenant-based assistance to previously assisted households.*

*(b) For purposes of carrying out demonstration programs under subsection (a)—*

*(1) the Secretary may manage and dispose of multifamily properties owned by the Secretary as of October 1, 1995 and multifamily mortgages held by the Secretary as of October 1, 1995 for properties assisted under section 8 with rents above 110 percent of fair market rents without regard to any other provision of law; and*

(2) the Secretary may delegate to one or more entities the authority to carry out some or all of the functions and responsibilities of the Secretary in connection with the foreclosure of mortgages held by the Secretary under the National Housing Act.

(c) For purposes of carrying out demonstration programs under subsection (a), subject to such third party consents (if any) as are necessary including but not limited to (i) consent by the Government National Mortgage Association where it owns a mortgage insured by the Secretary; (ii) consent by an issuer under the mortgage-backed securities program of the Association, subject to the responsibilities of the issuer to its security holders and the Association under such program; and (iii) parties to any contractual agreement which the Secretary proposes to modify or discontinue, and subject to the appropriation in subsection (c), the Secretary or one or more third parties designated by the Secretary may take the following actions:

(1) Notwithstanding any other provision of law, and subject to the agreement of the project owner, the Secretary or third party may remove, relinquish, extinguish, modify, or agree to the removal of any mortgage, regulatory agreement, project-based assistance contract, use agreement, or restriction that had been imposed or required by the Secretary, including restrictions on distributions of income which the Secretary or third party determines would interfere with the ability of the project to operate without above market rents. The Secretary or third party may require an owner of a property assisted under the section 8 new construction/substantial rehabilitation program to apply any accumulated residual receipts toward effecting the purposes of this section.

(2) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development may enter into contracts to purchase reinsurance, or enter into participations or otherwise transfer economic interest in contracts of insurance or in the premiums paid, or due to be paid, on such insurance to third parties, on such terms and conditions as the Secretary may determine.

(3) The Secretary may offer project-based assistance with rents at or below fair market rents for the locality in which the project is located and may negotiate such other terms as are acceptable to the Secretary and the project owner.

(4) The Secretary may offer to pay all or a portion of the project's debt service, including payments monthly from the appropriate Insurance Fund, for the full remaining term of the insured mortgage.

(5) Notwithstanding any other provision of law, the Secretary may forgive and cancel any FHA-insured mortgage debt that a demonstration program property cannot carry at market rents while bearing full operating costs.

(6) For demonstration program properties that cannot carry full operating costs (excluding debt service) at market rents, the Secretary may approve project-based rents sufficient to carry such full operating costs and may offer to pay the full debt service in the manner provided in paragraph (4).

(d) COMMUNITY AND TENANT INPUT.—In carrying out this section, the Secretary shall develop procedures to provide appropriate and timely notice to officials of the unit of general local government affected, the community in which the project is situated, and the tenants of the project.

(e) LIMITATION ON DEMONSTRATION AUTHORITY.—The Secretary may carry out demonstration programs under this section with respect to mortgages not to exceed 15,000 units. The demonstration authorized under this section shall not be expanded until the reports required under subsection (f) are submitted to the Congress.

(f) APPROPRIATION.—For the cost of modifying loans held or guaranteed by the Federal Housing Administration, as authorized by this subsection (a)(2) and subsection (c), $30,000,000, to remain available until September 30, 1997: Provided, That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended.

(g) REPORT TO CONGRESS.—The Secretary shall submit to the Congress every six months after the date of enactment of this Act a report describing and assessing the programs carried out under the demonstrations. The Secretary shall also submit a final report to the Congress not later than six months after the end of the demonstrations. The reports shall include findings and recommendations for any legislative action appropriate. The reports shall also include a description of the status of each multifamily housing project selected for the demonstrations under this section. The final report may include—

(1) the size of the projects;

(2) the geographic locations of the projects, by State and region;

(3) the physical and financial condition of the projects;

(4) the occupancy profile of the projects, including the income, family size, race, and ethnic origin of current tenants, and the rents paid by such tenants;

(5) a description of actions undertaken pursuant to this section, including a description of the effectiveness of such actions and any impediments to the transfer or sale of mulifamily housing projects;

(6) a description of the extent to which the demonstrations under this section have displaced tenants of multifamily housings projects;

(7) a description of any of the functions performed in connection with this section that are transferred or contracted out to public or private entities or to States;

(8) a description of the impact to which the demonstrations under this section have affected the localities and communities where the selected multifamily housing projects are located; and

(9) a description of the extent to which the demonstrations under this section have affected the owners of multifamily housing projects.

**SEC. 214. SECTION 8 CONTRACT RENEWALS.**

(a) For fiscal year 1996 and henceforth, the Secretary of Housing and Urban Development may use amounts available for the renewal of assistance under section 8 of the United States Housing Act of 1937, upon termination or expiration of a contract for assistance under section 8 of such Act of 1937 (other than a contract for tenant-based assistance and notwithstanding section 8(v) of such Act for loan management assistance), to provide assistance under section 8 of such Act, subject to the Section 8 Existing Fair Market Rents, for the eligible families assisted under the contracts at expiration or temination, which assistance shall be in accordance with terms and conditions prescribed by the Secretary.

(b) Notwithstanding subsection (a) and except for projects assisted under section 8(e)(2) of the United States Housing Act of 1937 (as it existed immediately prior to October 1, 1991), at the request of the owner, the Secretary shall renew for a period of one year contracts for assistance under section 8 that expire or terminate during fiscal year 1996 at the current rent levels.

(c) Section 8(v) of the United States Housing Act of 1937 is amended to read as follows:

''The Secretary may extend expiring contracts entered into under this section for project-based loan management assistance to the extent necessary to prevent displacement of low-income families receiving such assistance as of September 30, 1996.''.

(d) Section 236(f) of the National Housing Act (12 U.S.C. 1715z-l(f)) is amended:

(1) by striking the second sentence in paragraph (1) and inserting in lieu thereof the following: ''The rental charge for each dwelling unit shall be at the basic rental charge or such greater amount, not exceeding the lower of (i) the fair market rental charge determined pursuant to this paragraph, or (ii) the fair market rental established under section 8(v) of the United States Housing Act of 1937 for the market area in which the housing is located, as represents 30 per centum of the tenant's adjusted income.''; and

(2) by striking paragraph (6).''.

**SEC. 215. EXTENSION OF HOME EQUITY CONVERSION MORTGAGE PROGRAM.**

Section 255(g) of the National Housing Act (12 U.S.C. 1715z–20(g)) is amended—

(1) in the first sentence, by striking ''September 30, 1995'' and inserting ''September 30, 1996''; and

(2) in the second sentence, by striking ''25,000'' and inserting ''30,000''.

**SEC. 216. ASSESSMENT COLLECTION DATES FOR OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT.**

Section 1316(b) of the Housing and Community Development Act of 1992 (12 U.S.C. 4516(b)) is amended by striking paragraph (2) and inserting the following new paragraph:

''(2) TIMING OF PAYMENT.—The annual assessment shall be payable semiannually for each fiscal year, on October 1st and April 1st.''.

**SEC. 217. MERGER LANGUAGE FOR ASSISTANCE FOR THE RENEWAL OF EXPIRING SECTION 8 SUBSIDY CONTRACTS AND ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING.**

All remaining obligated and unobligated balances in the Renewal of Expiring Section 8 Subsidy Contracts account on September 30, 1995, shall immediately thereafter be transferred to and merged with the obligated and unobligated balances, respectively, of the Annual Contributions for Assisted Housing account.

**SEC. 218. DEBT FORGIVENESS.**

(a) The Secretary of Housing and Urban Development shall cancel the indebtedness of the Hubbard Hospital Authority of Hubbard, Texas, relating to the public facilities loan for Project Number PFL–TEX–215, issued under title II of the Housing Amendments of 1955. Such hospital authority is relieved of all liability to the Government for the outstanding principal balance on such loan, for the amount of accrued interest on such loan, and for any fees and charges payable in connection with such loan.

(b) The Secretary of Housing and Urban Development shall cancel the indebtedness of the Groveton Texas Hospital Authority relating to the public facilities loan for Project Number TEX–41–PFL0162, issued under title II of the Housing Amendments of 1955. Such hospital authority is relieved of all liability to the Government for the outstanding principal balance on such loan, for the amount of accrued interest on such loan, and for any fees and charges payable in connection with such loan.

(c) The Secretary of Housing and Urban Development shall cancel the indebtedness of the Hepzibah Public Service District of Hepzibah, West Virginia, relating to the public facilities loan for Project Number WV–46–PFL0031, issued under title II of the Housing Amendments of 1955. Such public service district is relieved of all liability to the Government for the outstanding principal balance on such loan, for the amount of accrued interest on such loan, and for any fees and charges payable in connection with such loan.

**SEC. 219. CLARIFICATIONS.**

For purposes of Federal law, the Paul Mirabile Center in San Diego, California, including areas within such Center that are devoted to the delivery of supportive services, has been determined to satisfy the ''continuum of care'' requirements of the Department of Housing and Urban Development, and shall be treated as:

(a) consisting solely of residential units that (i) contain sleeping accommodations and kitchen and bathroom facilities, (ii) are located in a building that is used exclusively to facilitate the

transition of homeless individuals (within the meaning of section 103 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11302), as in effect on December 19, 1989) to independent living within 24 months, (iii) are suitable for occupancy, with each cubicle constituting a separate bedroom and residential unit, (iv) are used on other than a transient basis, and (v) shall be originally placed in service on November 1, 1995; and

(b) property that is entirely residential rental property, namely, a project for residential rental property.

**SEC. 220. EMPLOYMENT LIMITATIONS.**

(a) By the end of fiscal year 1996 the Department of Housing and Urban Development shall employ no more than seven Assistant Secretaries, notwithstanding section 4(a) of the Department of Housing and Urban Development Act.

(b) By the end of fiscal year 1996 the Department of Housing and urban Development shall employ no more than 77 schedule C and 20 noncareer senior executive service employees.

**SEC. 221. USE OF FUNDS.**

(a) Of the $93,400,000 earmarked in Public Law 101–144 (103 Stat 850), as amended by Public Law 101–302 (104 Stat 237), for special projects and purposes, any amounts remaining of the $500,000 made available to Bethlehem House in Highland, California, for site planning and land acquisition shall instead be made available to the County of San Bernardino in California to assist with the expansion of the Los Padrinos Gang Intervention Program and the Unity Home Domestic Violence Shelter.

(b) The amount made available for fiscal year 1995 for the removal of asbestos from an abandoned public school building in Toledo, Ohio shall be made available for the renovation and rehabilitation of an industrial building at the University of Toledo in Toledo, Ohio.

**SEC. 222. LEAD-BASED PAINT ABATEMENT.**

(a) Section 1011 of Title X—Residential lead-Based Paint Hazard Reduction Act of 1992 is amended as follows: Strike ''priority housing'' wherever it appears in said section and insert ''housing''.

(b) Section 1011(a) shall be amended as follows: At the end of the subsection after the period, insert:

''Grants shall only be made under this section to provide assistance for housing which meets the following criteria—

''(1) for grants made to assist rental housing, at least 50 percent of the units must be occupied by or made available to families with incomes at or below 50 percent of the area median income level and the remaining units shall be occupied or made available to families with incomes at or below 80 percent of the area median income level, and in all cases the landlord shall give priority in renting units assisted under this section, for no less than 3 years following the completion of lead abatement activities, to families with a child under the age of six years—

''(A) except that buildings with five or more units may have 20 percent of the units occupied by families with incomes above 80 percent of area median income level;

''(2) for grants made to assist housing owned by owner-occupants, all units assisted with grants under this section shall be the principal residence of families with incomes at or below 80 percent of the area median income level, and not less than 90 percent of the units assisted with grants under this section shall be occupied by a child under age of six years or shall be units where a child under the age to six years spends a significant amount of time visiting; and

''(3) notwithstanding paragraphs (1) and (2), round II grantees who receive assistance under this section may use such assistance for priority housing.''.

**SEC. 223. EXTENSION PERIOD FOR SHARING UTILITY COST SAVINGS WITH PHAS.**

Section 9(a)(3)(B)(i) of the United States Housing Act of 1937 is amended by striking ''for a period not to exceed 6 years''.

**SEC. 223A. MORTGAGE NOTE SALES.**

The first sentence of section 221(g)(4)(C)(viii) of the National Housing Act is amended by striking ''September 30, 1995'' and inserting in lieu thereof ''September 30, 1996''.

**SEC. 223B. REPEAL OF FROST-LELAND.**

Section 415 of the Department of Housing and Urban Development—Independent Agencies Appropriations Act, 1988 (Public Law 100–202; 101 Stat. 1329–213) is repealed.

**SEC. 223C. FHA SINGLE-FAMILY ASSIGNMENT PROGRAM REFORM.**

(a) FORECLOSURE AVOIDANCE.—The last sentence of section 204(a) of the National Housing Act (12 U.S.C. 1710(a)) is amended by inserting before the period the following: '': And provided further, That the Secretary may pay insurance benefits to the mortgagee to recompense the mortgagee for its actions to provide an alternative to the foreclosure of a mortgage that is in default, which actions may include special foreclosure, loan modification, and deeds in lieu of foreclosure, all upon terms and conditions as the mortgagee shall determine in the mortgagee's sole discretion, within guidelines provided by the Secretary, but which may not include assignment of a mortgage to the Secretary: And provided further, That for purposes of the preceding proviso, no action authorized by the Secretary and no action taken, nor any failure to act, by the Secretary or the mortgagee shall be subject to judicial review.''.

(b) AUTHORITY TO ASSIST MORTGAGORS IN DEFAULT.—Section 230 of the National Housing Act (12 U.S.C. 1715u) is amended to read as follows:

''AUTHORITY TO ASSIST MORTGAGOR IN DEFAULT

''SEC. 230. (a) PAYMENT OF PARTIAL CLAIM.—The Secretary may establish a program for payment of a partial claim to a mortgagee that agrees to apply the claim amount to payment of a mortgage on a 1- to 4-family residence that is in default. Any such payment under such program to the mortgage shall be made in the sole discretion of the Secretary and on terms and conditions acceptable to the Secretary, except that—

''(1) the amount of the payment shall be in an amount determined by the Secretary, not to exceed an amount equivalent to 12 of the monthly mortgage payments and any costs related to the default that are approved by the Secretary; and

''(2) the mortgagor shall agree to repay the amount of the insurance claim to the Secretary upon terms and conditions acceptable to the Secretary.

The Secretary may pay the mortgagee, from the appropriate insurance fund, in connection with any activities that the mortgagee is required to undertake concerning repayment by the mortgagor of the amount owed to the Secretary.

''(b) ASSIGNMENT.—

''(1) PROGRAM AUTHORITY.—The Secretary may establish a program for assignment to the Secretary, upon request of the mortgagee, of a mortgage on a 1- to 4-family residence insured under this Act.

''(2) PROGRAM REQUIREMENTS.—The Secretary may accept assignment of a mortgage under a program under this subsection only if—

''(A) the mortgage was in default;

''(B) the mortgagee has modified the mortgage to cure the default and provide for mortgage payments within the reasonable ability of the mortgagor to pay, at interest rates not to exceed current market interest rates; and

''(C) the Secretary arranges for servicing of the assigned mortgage by a mortgagee (which may include the assigning mortgagee) through procedures that the Secretary has determined to be in the best interests of the appropriate insurance fund.

''(3) PAYMENT OF INSURANCE BENEFITS.—Upon accepting assignment of a mortgage under a program established under this subsection, the Secretary may pay insurance benefits to the mortgagee from the appropriate insurance fund, in an amount that the Secretary determines to be appropriate, not to exceed the amount necessary to compensate the mortgagee for the assignment and any losses and expenses resulting from the mortgage modification.

''(c) PROHIBITION OF JUDICIAL REVIEW.—No decision by the Secretary to exercise or forgo exercising any authority under this section shall be subject to judicial review.''.

(c) SAVINGS PROVISION.—Any mortgage for which the mortgagee has applied to the Secretary, before the date of enactment of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996, for assignment pursuant to subsection (b) of this section as in effect before such date of enactment shall continue to be governed by the provisions of such section, as in effect immediately before such date of enactment.

(d) APPLICABILITY OF OTHER LAWS.—No provision of this Act, or any other law, shall be construed to require the Secretary of Housing and Urban Development to provide an alternative to foreclosure for mortgagees with mortgages on 1- to 4-family residences insured by the Secretary under the National Housing Act, or to accept assignments of such mortgages.

(e) APPLICABILITY OF AMENDMENTS.—Except as provided in subsection (d), the amendments made by subsections (a) and (b) shall apply with respect to mortgages originated before fiscal year 1996.

(f) REGULATIONS.—Not later than 60 days after the date of enactment of this Act, the Secretary of Housing and Urban Development shall issue interim regulations to implement this section and amendments made by this section.

(g) EFFECTIVENESS AND APPLICABILITY.—If this Act is enacted after the date of enactment of the Balanced Budget Act of 1995—

(1) subsections (a), (b), (c), (d), and (e) of this section shall not take effect; and

(2) section 2052(c) of the Balanced Budget Act of 1995 is amended by striking ''that are originated on or after October 1, 1995'' and inserting in lieu thereof ''to mortgages originated before, during, and after fiscal year 1996.''.

**SEC. 223D. SPENDING LIMITATIONS.**

(a) None of the funds in this Act may be used by the Secretary to impose any sanction, or penalty because of the enactment of any State or local law or regulation declaring English as the official language.

(b) No part of any appropriation contained in this Act shall be used for lobbying activities as prohibited by law.

**SEC. 223E. TRANSFER OF FUNCTIONS TO THE DEPARTMENT OF JUSTICE.**

All functions, activities and responsibilities of the Secretary of Housing and Urban Development relating to title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and the Fair Housing Act, including any rights guaranteed under the Fair Housing Act (including any functions relating to the Fair Housing Initiatives program under section 561 of the Housing and Community Development Act of 1987), are hereby transferred to the Attorney General of the United States effective April 1, 1997: Provided, That none of the aforementioned authority or responsibility for enforcement of the Fair Housing Act shall be transferred to the Attorney General until adequate personnel and resources allocated to such activity at the Department of Housing and Urban Development are transferred to the Department of Justice.

And the Senate agree to the same.

Amendment numbered 65:

That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

SCIENCE AND TECHNOLOGY

For science and technology, including research and development activities, which shall

*include research and development activities under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), as amended; necessary expenses for personnel and related costs and travel expenses, including uniforms, or allowances therefore, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS–18; procurement of laboratory equipment and supplies; other operating expenses in support of research and development; construction, alteration, repair, rehabilitation and renovation of facilities, not to exceed $75,000 per project; $525,000,000, which shall remain available until September 30, 1997.*

And the Senate agree to the same.

Amendment numbered 66:

That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

*ENVIRONMENTAL PROGRAMS AND MANAGEMENT*

*For environmental programs and management, including necessary expenses, not otherwise provided for, for personnel and related costs and travel expenses, including uniforms, or allowances therefore, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS–18; hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase of reprints; library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project; and not to exceed $6,000 for official reception and representation expenses; $1,550,300,000, which shall remain available until September 30, 1997: Provided, that, notwithstanding any other provision of law, for this fiscal year and hereafter, an industrial discharger that is a pharmaceutical manufacturing facility and discharged to the Kalamazoo Water Reclamation Plant (an advanced wastewater treatment plant with activated carbon) prior to the date of enactment of this Act may be exempted from categorical pretreatment standards under section 307(b) of the Federal Water Pollution Control Act, as amended, if the following conditions are met: (1) the owner or operator of the Kalamazoo Water Reclamation Plant applies to the State of Michigan for an exemption for such industrial discharger, (2) the State or Administrator, as applicable, approves such exemption request based upon a determination that the Kalamazoo Water Reclamation Plant will provide treatment and pollution removal equivalent to or better than that which would be required through a combination of pretreatment by such industrial discharger and treatment by the Kalamazoo Water Reclamation Plant in the absence of the exemption, and (3) compliance with paragraph (2) is addressed by the provisions and conditions of a permit issued to the Kalamazoo Water Reclamation Plant under section 402 of such Act, and there exists an operative financial contract between the City of Kalamazoo and the industrial user and an approved local pretreatment program, including a joint monitoring program and local controls to prevent against interference and pass through.*

And the Senate agree to the same.

Amendment numbered 68:

That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$28,500,000*; and the Senate agree to the same.

Amendment numbered 70:

That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert: *consisting of $913,400,000 as authorized by section 517(a) of the Superfund Amendments and Reauthorization Act of 1986 (SARA), as amended by Public Law 101–508, and $250,000,000 as a payment from general revenues to the Hazardous Substance Superfund as authorized by section 517(b) of SARA, as amended by Public Law 101–508*

On page 61, line 1, of the House engrossed bill, H.R. 2099, delete *''$1,003,400,000''* and insert *''$1,163,400,000''*; and the Senate agree to the same.

Amendment numbered 71:

That the House recede from its disagreement to the amendment of the Senate numbered 71, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$11,000,000*; and the Senate agree to the same.

Amendment numbered 72:

That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$59,000,000*; and the Senate agree to the same.

Amendment numbered 74:

That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert: *: Provided further, That none of the funds made available under this heading may be used by the Environmental Protection Agency to propose for listing or to list any additional facilities on the National Priorities List established by section 105 of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as amended (42 U.S.C. 9605), unless the Administrator receives a written request to propose for listing or to list a facility from the Governor of the State in which the facility is located, or unless legislation to reauthorize CERCLA is enacted*; and the Senate agree to the same.

Amendment numbered 76:

That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$7,000,000*; and the Senate agree to the same.

Amendment numbered 77:

That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$500,000*; and the Senate agree to the same.

Amendment numbered 80:

That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

*STATE AND TRIBAL ASSISTANCE GRANTS*

*For environmental programs and infrastructure assistance, including capitalization grants for state revolving funds and performance partnership grants, $2,323,000,000, to remain available unit expended, of which $1,400,000,000 shall be for making capitalization grants for State revolving funds to support water infrastructure financing; $100,000,000 for architectural, engineering, design, construction and related activities in connection with the construction of high priority water and wastewater facilities in the area of the United States-Mexico Border, after consultation with the appropriate border commission; $50,000,000 for grants to the State of Texas, which shall be matched by an equal amount of State funds from State resources, for the purpose of improving wastewater treatment for colonias; $15,000,000 for grants to the State of Alaska, subject to an appropriate cost share as determined by the Administrator, to address wastewater infrastructure needs of rural and Alaska Native villages; and $100,000,000 for making grants for the construction of wastewater treatment facilities and the development of groundwater in accordance with the terms and conditions specified for such grants in the conference report accompanying the Act (H.R. 2099): Provided, That beginning in fiscal year 1996 and each fiscal year thereafter, and notwithstanding any other provision of law, the Administrator is authorized to make grants annually from funds appropriated under this heading, subject to such terms and conditions as the Administrator shall establish, to any State or federally recognized Indian tribe for multimedia or single media pollution prevention, control and abatement and related environmental activities at the request of the Governor or other appropriate State official or the tribe: Provided further, That from funds appropriated under this heading, the Administrator may make grants to federally recognized Indian governments for the development of multimedia environmental programs: Provided further, That of the $1,400,000,000 for capitalization grants for State revolving funds to support water infrastructure financing, $275,000,000 shall be for drinking water State revolving funds, but if no drinking water State revolving fund legislation is enacted by June 1, 1996, these funds shall immediately be available for making capitalization grants under title VI of the Federal Water Pollution Control Act, as amended: Provided further, That of the funds made available in Public Law 103–327 and in Public Law 103–124 for capitalization grants for State revolving funds to support water infrastructure financing, $225,000,000 shall be made available for capitalization grants for State revolving funds under title VI of the Federal Water Pollution Control Act, as amended, if no drinking water State revolving fund legislation is enacted by June 1, 1996: Provided further, That of the funds made available under this heading for capitalization grants for State Revolving Funds under title VI of the Federal Water Pollution Control Act, as amended, $50,000,000 shall be for wastewater treatment in impoverished communities pursuant to section 102(d) of H.R. 961 as approved by the United States House of Representatives on May 16, 1995: Provided further, That of the funds appropriated in the Construction Grants and Water Infrastructure/State Revolving Funds accounts since the appropriation for the fiscal year ending September 30, 1992, and hereafter, for making grants for wastewater treatment works construction projects, portions may be provided by the recipients to States for managing construction grant activities, on condition that the States agree to reimburse the recipients from State funding sources: Provided further, That the funds made available in Public Law 103–327 for a grant to the City of Mt. Arlington, New Jersey, in accordance with House Report 103–715, shall be available for a grant to that city for water and sewer improvements.*

And the Senate agree to the same.

Amendment numbered 81:

That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

*ADMINISTRATIVE PROVISIONS*

And the Senate agree to the same.

Amendment numbered 83:

That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

*SEC. 301. None of the funds provided in this Act may be used within the Environmental Protection Agency for any final action by the Administrator or her delegate for signing and publishing for promulgation of a rule concerning any new standard for radon in drinking water.*

And the Senate agree to the same.

Amendment numbered 94:

That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended as follows:

In lieu of the sum named in the matter restored, insert: *$222,000,000*; and the Senate agree to the same.

Amendment numbered 102:

That the House recede from its disagreement to the amendment of the Senate numbered 102, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$5,456,600,000*; and the Senate agree to the same.

Amendment numbered 104:

That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$5,845,900,000*; and the Senate agree to the same.

Amendment numbered 105:

That the House recede from its disagreement to the amendment of the Senate numbered 105; and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$2,502,200,000*; and the Senate agree to the same.

Amendment numbered 109:

That the House recede from its disagreement to the amendment of the Senate numbered 109, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

*Upon the determination by the Administrator that such action is necessary, the Administrator may, with the approval of the Office of Management and Budget, transfer not to exceed $50,000,000 of funds made available in this Act to the National Aeronautics and Space Administration between such appropriations or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation to which transferred: Provided, That such authority to transfer may not be used unless for higher priority items, based on unforeseen requirements, than those for which originally appropriated: Provided further, That the Administrator of the National Aeronautics and Space Administration shall notify the Congress promptly of all transfers made pursuant to this authority:*

And the Senate agree to the same.

Amendment numbered 110:

That the House recede from its disagreement to the amendment of the Senate numbered 110, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$2,274,000,000*; and the Senate agree to the same.

Amendment numbered 114:

That the House recede from its disagreement to the amendment of the Senate numbered 114, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

*SEC. 519. In fiscal year 1996, the Director of the Federal Emergency Management Agency shall sell the disaster housing inventory of mobile homes and trailers, and the proceeds thereof shall be deposited in the Treasury.*

And the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 63.

JERRY LEWIS,
TOM DELAY,
BARBARA F. VUCANOVICH,
JAMES T. WALSH,
DAVE HOBSON,
JOE KNOLLENBERG,
RODNEY P. FRELINGHUYSEN,
MARK W. NEUMANN,
BOB LIVINGSTON,
*Managers on the Part of the House.*

CHRISTOPHER S. BOND,
CONRAD BURNS,
TED STEVENS,
RICHARD SHELBY,
ROBERT F. BENNETT,
BEN NIGHTHORSE CAMPBELL,
MARK O. HATFIELD,
BARBARA A. MIKULSKI,
PATRICK LEAHY,
J. BENNETT JOHNSTON,
BOB KERREY,
ROBERT C. BYRD,
*Managers on the Part of the Senate.*

## JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2099) making appropriations for the Department of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1996, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

## TITLE I—DEPARTMENT OF VETERANS AFFAIRS

### VETERANS BENEFITS ADMINISTRATION

Amendment No. 1: Earmarks not to exceed $25,180,000 of compensation and pensions funds for payments to the general operating expenses and medical care appropriations to implement savings provisions of authorizing legislation as proposed by the House, instead of $27,431,000 as proposed by the Senate. The additional administrative funds are not required as the limitation on compensation payments to certain incompetent veterans is deleted.

Amendment No. 2: Appropriates $1,345,300,000 for readjustment benefits as proposed by the House, instead of $1,352,180,000 as proposed by the Senate.

Amendment No. 3: Deletes language proposed by the Senate earmarking $6,880,000 of the readjustment benefits appropriation for funding costs of the Service Members Occupational Conservation and Training Program. The conferees note that language is included under the general operating expenses appropriation permitting the payment of administrative costs for the Service Members Occupational Conversion and Training Act in fiscal year 1996.

### VETERANS HEALTH ADMINISTRATION

Amendment No. 4: Appropriates $16,564,000,000 for medical care, instead of $16,777,474,000 as proposed by the House and $16,450,000,000 as proposed by the Senate.

The conferees note that the amount provided for medical care represents an increase of approximately $400,000,000 above the fiscal year 1995 level—and is the only appropriation in the bill with such a significant increase. While not the full amount requested, the increase provided will enable the Department to provide quality care to all veterans currently being served by the VA medical system. The conferees continue to be concerned about the Secretary's refusal to adopt systemic reforms and administrative improvements which would result in significant budgetary savings, without in any way compromising patient care. The Inspector General, the General Accounting Office, the Congressional Budget Office, and the service organizations have suggested changes which, if implemented, would yield hundreds of millions of dollars in administrative savings. As part of the operating plan,the Secretary is to submit a plan to implement the improvements identified by these organizations and any other reforms which would result in administrative savings totaling a minimum of $400,000,000 for fiscal year 1996.

The conference agreement includes funding for the following:

+$500,000 for a Low Vision Center in Ophthalmology at the East Orange VA Medical Center.

+$500,000 for a geriatric patient care program at the Lyons VA Medical Center.

+$396,000 to provide outpatient care at the Grafton Development Center in Grafton, North Dakota.

+$300,000 to provide outpatient care in Williamsport, Pennsylvania.

+$1,500,000 to expand existing community-based outpatient clinics in Wood County and Tucker County, West Virginia.

+$1,600,000 to establish a primary care clinic in Liberal, Kansas.

The conference committee is aware of the difficulty in staffing several VA facilities in the southwest, particularly in El Paso, Texas. This situation is compounded by budgetary constraints the VA faces in allocating FTEE's among its facilities. The conferees urge that the VA, through the veterans integrated service networks, engage in intra-VISN FTEE transfers during the fiscal year for purposes of staffing as warranted by changing circumstances in VA medical facilities. The conferees also urge the Department to review the staffing situation in El Paso and to move personnel as necessary to meet the new service demands that will exist if veterans are not required to travel to other VA facilities for treatment.

The conferees commend the Department for its participation in an advanced coal technology project at the Lebanon, Pennsylvania VA Medical Center in which a fluidized bed boiler will co-fire coal and medical wastes to provide steam for the hospital. Given the potential cost savings for energy and hospital waste disposal, the conferees direct the Department to study the potential for using this technology at other VA facilities.

The conference committee strongly urges VA to develop a center to coordinate academic training programs for physical therapists at the Brooklyn VA hospital. The conferees are aware there is a shortage of physical therapists nationwide. A training center would provide the opportunity for students to complete research projects in physical therapy and rehabilitation. In view of the critical shortage of clinical training sites in the New York City area, the Brooklyn VA would provide an excellent location for such a training program.

The conferees note with considerable interest that the VA has used laser-imaging, nonsilver, dry-medium technology to provide high resolution hard copy images for X-ray examinations in various hospitals around the country. This type of system produces faster

diagnosis, with attendant cost savings, and is environmentally safe. Accordingly, the conferees strongly encourage the VA to expand the use of this type of technology in all of its facilities.

The VA plans to expand access to outpatient care. These access points are being considered in more than 180 locations. The conferees are concerned with associated policy, legal, and budgetary issues and expect the VA to address these matters before proceeding with such expansion plans.

The conferees understand that the Department expends approximately $212,000,000 annually on utility costs. Opportunities for creative private sector funding of energy efficiency programs exist through procurements sanctioned by the Department of Energy's Federal Energy Management Program. The VA is encouraged to explore such opportunities, and, where appropriate, to take advantage of them.

Questions have been raised concerning the expansion of the Los Angeles National Cemetery by utilizing open space at the West Los Angeles VA Medical Center. The conferees direct that no property disposal, leasing action or capital improvements be taken that would jeopardize the Government's title to any land at the West Los Angeles VA Medical Center until all options have been reviewed by the VA and the Congress.

The VA is encouraged to create outpatient clinics, especially to help veterans in rural areas. Specifically, the conferees encourage the establishment of outpatient clinics in Lynn, Massachusetts and Gainesville, Georgia. The VA also is strongly encouraged to establish an orthopedic clinic at the Muskogee VA Medical Center. Such a clinic should be staffed by an orthopedist at least three days a week.

Amendent No. 5: Deletes language proposed by the Senate enabling the VA to treat veterans eligible for hospital care or medical services in the most efficient manner. In deleting this language, the conferees wish to make clear that they support budget neutral eligibility reform. Current eligibility requirements for VA medical care are in need of simplification and reform. Such legislation will, within any given dollar amount, permit the medical treatment of a greater number of veterans on an outpatient basis, as compared to the current approach which emphasizes inpatient treatment.

Amendment No. 6: Appropriates $257,000,000 for medical and prosthetic research as proposed by the Senate, instead of $251,743,000 as proposed by the House. The conferees agree that the recommended amount includes $1,250,000 to establish an Office of Veterans Affairs Technology Transfer Center.

Amendment No. 7: Deletes language proposed by the House and stricken by the Senate appropriating $10,386,000 for the health professional scholarship program.

DEPARTMENTAL ADMINISTRATION

Amendment No. 8: Appropriates $848,143,000 for general operating expenses, instead of $821,487,000 as proposed by the House and $872,000,000 as proposed by the Senate. Language has been inserted to limit funding for General Administration activities, and the number of schedule C and non-career senior executive service positions. Language is also inserted to permit up to $6,000,000 of the appropriation to be used for administrative expenses of the housing loan guaranty programs.

The conference agreement includes the following changes from the budget estimate:

−$32,000,000 in the Veterans Benefits Administration as an offset to legislation carried in the VA administrative provisions which permits excess revenues in three insurance funds to be used for administrative expenses.

−$25,500,000 in the Veterans Benefits Administration as an offset to the provision carried under this heading permitting the $25,500,000 earmarked in the 1995 Appropriations Act for VBA's modernization program to be available for the general purposes of the account.

−$7,423,000 (as a minimum) to be taken from the $221,532,000 appropriation requested for General Administration activities. This will permit not to exceed $214,109,000, the 1995 level, for such activities. The conferees intend that to the maximum extent possible all reductions in General Administration and Veterans Benefits Administration be taken from central office activities.

−$2,577,000 as a general reduction in Veterans Benefits Administration activities, subject to normal reprogramming procedures. To continue improving the timeliness of claims, the conferees do not intend that any reduction in funding be applied to the compensation, pensions, and education program. The conferees further intend that VBA will utilize $1,000,000 for a study by the National Academy of Public Administration of the claims processing system. The conferees agree that the NAPA report should build upon and not duplicate any previous or ongoing evaluations of the Veterans Benefits Administration. NAPA is to coordinate with those entities which have conducted evaluations in the past and provide to the Department and the appropriate Committees of Congress a detailed and specific implementation plan for the recommendations it makes.

Language is included to limit to not to exceed $214,109,000 for General Administration costs, including not to exceed $2,450,000 for salaries and $50,000 for travel costs of the Office of the Secretary; $4,392,000 for salaries and $75,000 for travel costs of the Office of the Assistant Secretary for Policy and Planning; $1,980,000 for salaries and $33,000 for travel costs of the Office of the Assistant Secretary for Congressional Affairs; and $3,500,000 for salaries and $100,000 for travel costs of the Office of the Assistant Secretary for Public and Intergovernmental Affairs. The balance of the savings is to be taken at the discretion of the VA, subject to normal reprogramming procedures, from funds requested for the Office of the Assistant Secretary for Human Resources and Administration, the Office of General Counsel, and the Office of the Assistant Secretary for Acquisition and Facilities.

Language has also been included that would limit the number of schedule C employees to 11 and the number of non-career senior executive service positions to 6 in fiscal year 1996.

Language has also been included to permit up to $6,000,000 of general operating expenses funds to be used for administrative expenses of the loan guaranty and insured loans programs. The VA has requested this provision so as to avoid furloughs.

Amendment No. 9: Appropriates $136,155,0009 for construction, major projects, instead of $183,455,000 as proposed by the House and $35,785,000 as proposed by the Senate.

The conference agreement includes the following changes from the budget estimate:

−$146,900,000 from the $154,700,000 requested for the new medical center and nursing home project in Brevard County, Florida. The balance of the request, $7,800,000, together with $17,200,000 appropriated in 1995, will provide $25,000,000 for the design and construction of a comprehensive medical outpatient clinic in Brevard County, Florida. The conferees expect the VA to commence construction of this project as soon as possible.

−$163,500,000 from the $188,500,000 requested for the VA/Air Force joint venture at Travis Air Force Base in Fairfield, California. The balance of the request, $25,000,000, is for the design and construction of an outpatient clinic project at Travis Air Force Base. The conferees recognized that the VA's preliminary cost estimate for this project is $39,500,000. The VA should evaluate the needs of the veterans in the area for outpatient services and report such findings to the Committees on Appropriations.

+$1,000,000 for design of a new national cemetery in the Albany, New York area.

$5,000,000 for design of an ambulatory care addition, patient privacy and environmental improvements project at the Wilkes-Barre, Pennsylvania VA Medical Center.

$4,000,000 for the relocation of medical school functions at the Mountain Home, Tennessee VA Medical Center.

$1,500,000 for design of an ambulatory care addition project at the Asheville, North Carolina VA Medical Center.

+$1,400,000 for design of a new national cemetery in the Joliet, Illinois area.

−$9,000,000 for renovation of nursing units at the Lebanon, Pennsylvania VA Medical Center.

−$11,500,000 for environmental improvements at the Marion, Illinois VA Medical Center.

−$17,300,000 for replacement of psychiatric beds at the Marion, Indiana VA Medical Center.

−$15,100,000 for renovation of psychiatric wards at the Perry Point, Maryland VA Medical Center.

−$17,200,000 for environmental enhancements at the Salisbury, North Carolina VA Medical Center.

−$10,000,000 from the $17,500,000 requested for the advance planning fund.

The conferees have approved major construction funding only for those projects which do not require further authorization. While many of the projects requested in the budget are meritorious, without an authorization no funding can be obligated. The Department should utilize minor construction funds to meet life safety or code deficiencies and to ensure compliance with Joint Commission on Accreditation of Healthcare Organizations criteria.

The conferees believe that the Department must assemble a long-term plan for its infrastructure and construction needs, taking into consideration an increasingly constrained budgetary environment, a decline in the veteran population, shifting demographics, the need to provide more equitable access to veterans medical care systemwide, changes in health care delivery methods, and any policy changes the VA adopts with respect to access points. It is expected that the fiscal year 1997 budget request for major construction funding will be predicated on an analysis incorporating all such variables.

Amendment No. 10: Appropriates $190,000,000 for construction, minor projects, as proposed by the Senate, instead of $152,934,000 as proposed by the House. The conferees agree that this appropriation account should be used to meet any critical requirements, such as safety and fire code deficiencies, at facilities which were denied major construction funding in 1996.

ADMINISTRATIVE PROVISIONS

Amendment No. 11: Inserts language proposed by the Senate authorizing the VA to convey property to the Federal Highway Administration which is necessary for the modernization of U.S. Highway 54 in Wichita, Kansas.

Amendment No. 12: Deletes language proposed by the Senate authorizing the VA to use supply fund resources for an acquisition computer network.

Amendment No. 13: Deletes language proposed by the Senate regarding access to VA

medical care for veterans in Hawaii, and deletes language in the administrative provisions which would limit compensation payments to certain incompetent veterans.

In deleting the Senate language, the conferees wish to make clear their concern that veterans in the State of Hawaii do not have access to veterans medical care comparable to that of veterans in the forty-eight contiguous states. Through sharing arrangements with the Tripler Army hospital and community facilities, and existing VA outpatient clinics, the Department is to ensure adequate and equitable access to care for Hawaii's veterans. Furthermore, VA should provide care within the State whenever possible rather than transferring patients to the West Coast for acute care services, which is extremely inconvenient for veterans and their families.

The conferees have agreed to delete language carried in sec. 107 of the VA's administrative provisions limiting compensation payments to certain incompetent veterans.

Amendment No. 14: Deletes language proposed by the Senate requiring the Secretary to develop a plan for the allocation of VA health care resources to remedy discrepancies in the allocation of funds to VA facilities across the country.

The conferees are concerned that VA's allocation of resources has not resulted in equal access to health care services for veterans nationally. Despite implementation of the resource planning and management system several years ago, VA has not shifted resources sufficiently to meet changing demand.

The conferees recognize the Veterans Health Administration recently reorganized into veterans integrated service networks and expect that the reorganization will result in a more equitable allocation of resources nationally. To ensure that this occurs, the conferees direct the Department to develop a plan to allocate resources in a manner that will result in equal access to medical care for veterans and will take into account projected changes in the workload of each facility. The plan should reflect the RPM system to account for forecasts in expected workload and should recognize facilities that provide cost-effective health care. The plan shall include procedures to identify reasons for variations in operating costs among similar facilities and ways to improve the allocation of resources so as to promote efficient use of resources and provision of high quality care.

Amendment No. 15: Inserts language permitting the transfer of not to exceed $4,500,000 of 1996 medical care funds to the medical and administration and miscellaneous operating expenses account, instead of $5,700,00 as proposed by the Senate.

The conference agreement includes permissive transfer authority of up to $4,500,000 from the medical care account to the MAMOE account to help alleviate possible furloughs. The conferees wish to make clear, however, that any transfer is to occur only through the normal reprogramming procedures. It is expected that the central office medical staffing funded through this account will reduced to 600 by the end of the fiscal year 1996.

## TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

### HOUSING PROGRAMS

Amendment No. 16: Appropriates $10,155,795,000 for annual contributions for assisted housing, instead of $10,182,359,000 as proposed by the House and $5,594,358,000 as proposed by the Senate. The conferees expect the Department and the Office of Management and Budget to adhere to the 1996 program detailed in the following table:

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING FISCAL YEAR 1996—GROSS RESERVATIONS

| | Units | Cost | Term | Budget authority |
|---|---|---|---|---|
| New authority | NA | NA | NA | $10,155,795,000 |
| New spending: | | | | |
| Public housing modernization | NA | NA | NA | 2,500,000,000 |
| Indian housing | 1,603 | $99,800 | NA | 160,000,000 |
| Section 202 elderly | 9,654 | [NA] | [NA] | 780,190,000 |
| Section 811 disabled | 2,915 | [NA] | [NA] | 233,168,000 |
| HOPWA | 6,400 | [NA] | [NA] | 171,000,000 |
| Section 8 replacement assistance | 35,398 | $5,650 | 2 | 400,000,000 |
| [Witness relocation] | NA | NA | NA | [2,500,000] |
| Preservation | NA | NA | NA | 624,000,000 |
| Property disposition | NA | NA | NA | 261,000,000 |
| Lead-based paint | NA | NA | NA | 65,000,000 |
| Family self-sufficiency | NA | NA | NA | |
| Section 8 amendments | NA | NA | NA | 4,350,862,000 |
| Section 8 contract renewals | 435,028 | $5,680 | [1] 2 | 610,575,000 |
| Total | 490,998 | NA | NA | 10,155,795,000 |

[1] Loan management set-asides are renewed for one year.

Including these funding levels, the House and Senate agree to the resolution of the following issues:

Deletes language proposed by the House and stricken by the Senate to establish an outlay cap of $19,939,311,000 for the annual contributions for assisted housing account.

Provides $160,000,000 for Indian housing development, instead of $100,000,000 as proposed by the House and $200,000,000 as proposed by the Senate.

Provides $2,500,000,000 for public housing modernization as proposed by the House, instead of $2,510,000,000 as proposed by the Senate.

Deletes language proposed by the House and stricken by the Senate to provide the Secretary authority to direct any housing authority that receives modernization funds under this Act, or has yet to obligate rehabilitation funds from prior year appropriations Acts, to demolish, reconfigure, or reduce the density of any public housing project owned by the housing authority.

Deletes language proposed by the House and stricken by the Senate to provide $15,000,000 for the tenant opportunity program as a setaside from the public housing modernization program. Funding for this activity is provided as a separate setaside under the community development block grant program.

Inserts language proposed by the Senate to set aside funds from the public housing modernization program for technical assistance, but at a modified funding level of $20,000,000, instead of $30,000,000 as proposed.

Provides $400,000,000 for section 8 rental assistance, instead of $862,000,000 as proposed by the House and $240,000,000 as proposed by the Senate.

Inserts language proposed by the Senate to provide such section 8 rental assistance under only certain circumstances, including new language to allow funds to be used for witness relocation assistance in conjunction with the safe home initiative.

Restores language proposed by the House and stricken by the Senate to allow such section 8 rental assistance to be used in connection with subsequent authorizing legislation.

Deletes appropriations language establishing a special needs housing fund for multiple purposes as proposed by the House.

Provides $780,190,000 for section 202 elderly housing as proposed by the Senate, instead of an unspecified earmark as proposed by the House under the special needs housing appropriation. Such funding will assist 9,654 elderly households, the same number as provided for in fiscal year 1995.

Provides $233,168,000 for section 811 disabled housing as proposed by the Senate, instead of an unspecified earmark as proposed by the House under the special needs housing appropriation. Such funding will assist at least 2,915 disabled households, the number as provided for in fiscal year 1995. This figure is likely to be higher because language is added permitting the Secretary to use up to 25 percent of the funds provided to be used for section 8 vouchers to serve the same population. Such assistance must have a contract term of five years.

Provides $171,000,000 for the housing opportunities for persons with AIDS program, instead of an unspecified earmark as proposed by the House under the special needs housing appropriation. Such funding will assist 6,400 households and matches the amount of funding provided for in fiscal year 1995.

Inserts language proposed by the House and agreed to by the Senate to allow the Secretary to waive any provision of the section 202 and 811 programs, including the terms and conditions of project rental assistance.

Deletes language proposed by the House and stricken by the Senate to allow the Secretary to use up to $200,000,000 of unobligated carryover balances of the annual contributions for assisted housing account to implement preservation legislation enacted subsequent to this Act.

Provides $624,000,000 for the Emergency Low Income Preservation Act of 1987, as amended, and the Low Income Housing Preservation and Resident Homeownership Act of 1990, as amended. Until July 1, 1996, such funding will be limited to sales of projects to non-profit organizations, tenant-sponsored organizations, and other priority purchasers. Up to $10,000,000 of this amount will be available for preservation technical assistance grants pursuant to section 253 of the Housing and Community Development Act of 1987, as amended. With respect to funds remaining available after July 1, 1996, the Secretary may determine priorities for distributing such funds, including giving priority to tenants displaced due to mortgage prepayment

and to projects that have not yet been funded but which have approved plans of action, if the Secretary determines that demand for funding exceeds amounts remaining. In addition, the Secretary may impose a temporary moratorium on applications by potential recipients of such funding.

The legislation also provides owners the opportunity to prepay their mortgages or request voluntary termination of a mortgage insurance contract, as long as the owner agrees not to increase rents for 60 days after such prepayment. This condition is necessary in order to allow HUD time to make available rental assistance for eligible families who desire to stay or move.

As a condition of eligibility for preservation funds under this Act, the legislation establishes a threshold of the lesser of $5,000 per unit, $500,000 per project, or eight times the local fair market rent for each unit in preservation equity. This is intended to direct federal resources at those projects with the greatest likelihood of prepayment.

The Secretary also may modify the regulatory agreement to permit owners and priority purchasers to retain rental income in excess of the basic rental charge in projects assisted under section 236. In addition, the Secretary may give priority to funding obligated not later than August 1, 1996 for the following purposes: (1) projects with approved plans of action to retain the housing that file a modified plan of action not later than July 1, 1996 to transfer the housing; (2) projects with approved plans of action that are subject to a repayment or settlement agreement that was executed between the owner and the Secretary prior to September 1, 1995; (3) projects for which submissions were delayed as a result of their location in areas that were designated as a federal disaster area in a Presidential Disaster Declaration; and (4) projects that have submitted an appraisal to the New York State office.

Notwithstanding any other provision of law, subject to the availability of appropriated funds, each unassisted low-income family residing in the housing on the date of prepayment, and whose rent, as a result of prepayment exceeds 30 percent of adjusted income, shall be offered tenant-based assistance in accordance with section 8 or any successor program, under which the family shall pay rent not less than that rent paid on such date. Any eligible family receiving such tenant-based assistance may elect to remain in the housing and if the rent is in excess of the fair market rent or payment standard, as applicable, the rent shall be deemed the applicable standard, so long as the administering public housing agency deems that the rent is reasonable in comparison to rents charged for comparable unassisted housing units in the market. In instances where eligible families move with such assistance to other private rental housing, the rent will be subject to the fair market rent or the payment standard, as applicable, under existing rules and procedures.

The resources provided by conferees under this Act for the preservation program ought not to be considered another payment in a long list of federal preservation program payments, but as the last payment for addressing preservation in this manner. Included in this section is a provision to effectively terminate the preservation program after October 1, 1996. Unless this program is substantially reformed, Congress will appropriate only rental assistance for eligible residents of projects where owners have decided to prepay. Such assistance will allow residents to stay in the same housing at the same cost or move to other private housing.

Provides $65,000,000 for lead-based paint activities, including abatement grants, instead of $10,000,000 as proposed by the House and $75,000,000 as proposed by the Senate.

Deletes $17,300,000 for family self-sufficiency coordinators as proposed by the House and stricken by the Senate. Such activities are eligible under the public and assisted housing services setaside under the community development block grant program.

Provides $4,350,862,000 for the renewal of expiring section 8 contracts, instead of $4,641,589,000 as proposed by the House. The Senate had proposed $4,350,862,000 for section 8 contract renewals under a separate appropriations heading.

Restores language proposed by the House and stricken by the Senate to merge funds provided for section 8 contract renewals with annual contributions for assisted housing.

The following table identifies expected section 8 contract renewal costs for fiscal year 1996:

SECTION 8—RENEWAL OF EXPIRING CONTRACTS

[Dollars in thousands]

| | Units | 1996 Budget authority |
|---|---|---|
| Certificates | 241,206 | $2,993,597 |
| Vouchers | 58,798 | 729,739 |
| LMSA | 120,587 | 475,354 |
| Property Disposition | 4,464 | 35,194 |
| Moderate Rehabilitation | 8,016 | 99,486 |
| New Construction/Substantial Rehabilitation | 1,957 | 17,492 |
| Total | 435,028 | 4,350,862 |

Note: Totals may not add due to rounding.

Restores language proposed by the House and stricken by the Senate to allow the use of section 8 contract renewal funds with subsequently enacted legislation.

Inserts language to allow the Secretary to renew housing vouchers without regard to section 8(o)(6)(B) of the Housing Act of 1937, a provision requiring HUD to budget an additional 10 percent to cover long-term inflation adjustments for housing vouchers. The Senate had proposed identical language under its separate heading for section 8 contract renewals.

Provides $610,575,000 for section 8 contract amendments as proposed by the House, instead of $500,000,000 as proposed by the Senate.

Provides $261,000,000 for property disposition as proposed by the Senate, instead of no funding as proposed by the House.

Inserts language proposed by the Senate to allow the Secretary to manage and dispose of multifamily properties owned by HUD and multifamily mortgages held by HUD with regard to any other provision of law.

Inserts language proposed by the Senate to allow state housing finance agencies, local governments, or local housing agencies to keep 50 percent of the savings from refinancing housing projects, as specified under section 1012(a) of the Stewart B. McKinney Homeless Assistance Act of 1988. The other 50 percent of budget authority savings shall be rescinded, or in the case of cash, remitted to the U.S. Treasury.

Provides $280,000,000 for the public housing demolition, site revitalization, and replacement housing grants program. The Senate proposed $500,000,000 for this activity and the House nothing.

Inserts language identifying eligible uses of these funds, as proposed by the Senate. Conferees agree funds are needed to assist housing authorities in the demolition of obsolete public housing. However, the conferees are concerned about the Department's use of waiver authority under the Department's total development cost (TDC) controls. Upon waiving such controls, the conferees direct the Department to notify the appropriate committees of Congress.

Deletes separate appropriation for the assistance for the renewal of expiring section 8 subsidy contracts as proposed by the Senate and all other language under this heading.

Amendment No. 17: Appropriates $2,800,000,000 for payments for the operation of public housing projects as proposed by the Senate, instead of $2,500,000,000 as proposed by the House.

The conferees are concerned that the funding formula applied to Puerto Rico, which has always been excluded from the Performance Funding System (PFS) under the operating expense subsidy program of the U.S. Housing Act of 1937, may have led to the inequitable treatment for Puerto Rico as compared to the states, and even other non-PFS territories. Consistent with overall objectives of streamlining programs and funding, allowable expense levels (AELs) should be fairly and effectively allocated among all jurisdictions, both inside and outside the PFS system. The conferees encourage HUD to study the AEL formula for Puerto Rico to determine if it accurately reflects the actual costs to operate decent and affordable assisted housing in Puerto Rico.

Amendment No. 18: Appropriates $290,000,000 for Drug Elimination Grants for Low-Income Housing as proposed by the Senate, instead of the proposed consolidation of these functions into the public housing modernization program as proposed by the House. Of this amount, the conferees earmark $10,000,000 for technical assistance grants and $2,500,000 for the Safe Home initiative. In addition, the conferees agree to language in the Senate bill that would redefine ''drug-related crime'' as determined by the HUD Secretary.

In order to defer to the committees of jurisdiction, the conferees delete language proposed by the Senate to allow the Secretary to distribute Drug Elimination Grants funds through a formula allocation.

Amendment No. 19: Deletes language proposed by the House and stricken by the Senate to provide $12,000,000 for housing counseling under a separate appropriations heading. Instead, $12,000,000 is provided for identical housing counseling activities as an earmark under the Community Development Block Grants program.

Amendment No. 20: Deletes language proposed by the Senate on describing how homeless assistance funds will be distributed, including language permitting the Secretary to distribute homeless funds under a formula allocation.

Amendment No. 21: Inserts technical correction to the language as proposed by the Senate.

Amendment No. 22: Deletes language proposed by the House and stricken by the Senate to make eligible the Innovative Homeless Initiatives Demonstration program under Homeless Assistance Grants. The authorization for this initiative terminated the demonstration as of September 30, 1995.

Amendment No. 23: Appropriates $823,000,000 for Homeless Assistance Grants, instead of $676,000,000 as proposed by the House and $760,000,000 as proposed by the Senate. This amount is equivalent to a funding freeze for homeless programs instead of a reduction. In fiscal year 1994, the appropriations for HUD homeless programs totaled $823,000,000. In fiscal year 1995, Public Law 104–19 deferred the availability of $297,000,000 of the original appropriations of $1,120,000,000 until September 30, 1995, effectively reducing the fiscal year 1995 program level to $823,000,000.

The conferees remain concerned that HUD homeless programs put too much emphasis on short-term solutions instead of long-term comprehensive strategies. To the maximum extent practicable, the conferees direct the Department to allocate homeless assistance grants under the Shelter Plus Care program

which requires a dollar-for-dollar match of services for HUD housing assistance. Homeless assistance of nearly $1,000,000,000 is small compared to the $12,000,000,000 of federal service dollars that serve much of this same population. Homeless studies, such as the 1990 Annual Report of the Interagency Council on the Homeless, show that housing in combination with appropriate services is the most effective way of permanently reducing homelessness. The conferees recognize that a one-size-fits-all approach does not recognize the diversity among communities and the diverse needs of the homeless population.

Amendment No. 24: Deletes language proposed by the Senate to allow Homeless Assistance Grants to be distributed by formula in fiscal year 1996. The conferees defer to the authorizing committees to determine an adequate program formula over the coming months. Language is also deleted requiring the Secretary to complete a study on how to merge homeless assistance programs under the Stewart B. McKinney Homeless Assistance Act with the HOME program.

Amendment No. 25: Appropriates $50,000,000 for grants to Indian tribes instead of $46,000,000 as proposed by the House and $60,000,000 as proposed by the Senate.

Amendment No. 26: Inserts language proposed by the Senate to provide $2,000,000 for the Housing Assistance Council and $1,000,000 for the National American Indian Housing Council as setasides under the Community Development Block Grants program. The House had proposed funding these two councils at the same level as setasides under the HUD salaries and expenses account.

Amendment No. 27: Appropriates $27,000,000 for Section 107 grants as proposed by the Senate instead of $19,500,000 as proposed by the House. The conferees are in agreement that Section 107 funding includes $7,000,000 for insular areas, $6,000,000 for work study (including $3,000,000 for Hispanic-serving institutions), $6,500,000 for historically black colleges and universities (HBCUs), and $7,500,000 for the community outreach partnership program.

The conferees urge HUD to use community outreach partnership funds to support new and existing planning grants to universities located in and around urban areas with high minority populations, low standards of living and large numbers of empty or abandoned dwellings. Priority ought to be given to proposals that seek to address community problems comprehensively and in partnership with local government, and consideration should be made for projects which include HBCUs as local partners.

The conferees are aware of an innovative business development center proposal of Hofstra University which will coordinate and target educational and technical assistance activities designed to foster economic development and job creation on Long Island. The proposal mirrors the goals of the Community Outreach Partnership program and therefore the Department is urged to carefully review this proposal in connection with the funding recommended for this activity.

Amendment No. 28: Inserts technical correction to the language as proposed by the Senate.

Amendment No. 29: Inserts language proposed by the Senate to permanently extend homeownership activities as an eligible use of CDBG funds.

Amendment No. 30: Inserts language proposed by the Senate to extend for one year a set-aside for Colonias of up to 10% of state CDBG allocations for the U.S. border states of Arizona, California, New Mexico, and Texas.

Amendment No. 31: Inserts language proposed by the Senate and amended by the House to provide $53,000,000 as a set-aside from the CDBG program for public and assisted housing supportive services. The amended language also earmarks $15,000,000 for the Tenant Opportunity Program, $12,000,000 for Housing Counseling activities, and $20,000,000 for the Youthbuild program. With regard to the Tenant Opportunity Program, this set-aside represents a 40 percent reduction from last year's funded level of $25,000,000. The conferees have been made aware of recent abuses in this program and direct the Department to eliminate such abuses if the program is to receive additional funding. Conferees agree this is the last year of appropriations funding for Youthbuild as a separate earmark and anticipate that Youthbuild will become an eligible activity under CDBG or another block grant in the coming year, to be determined by the appropriate authorizing committees. The conferees delete funding proposed by the Senate for Economic Development Initiatives at $80,000,000.

Amendment No. 32: Appropriates $31,750,000 for credit subsidies for the Section 108 loan guarantee program instead of $15,750,000 as proposed by the Senate, and $10,500,000 as proposed by the House.

Amendment No. 33: Establishes a loan limitation of $1,500,000,000 for the Section 108 loan guarantee program as proposed by the Senate, instead of $1,000,000,000 as proposed by the House, and inserts language to waive the aggregate loan limitation.

Amendment No. 34: Appropriates $675,000 for administrative expenses of the Section 108 loan guarantee program as proposed by the Senate, instead of $225,000 as proposed by the House.

Amendment No. 35: Inserts language for the reuse of a grant for Buffalo, New York for the central terminal and other public facilities in Buffalo, New York.

Amendment No. 36: Appropriates $30,000,000 for fair housing activities to be operated by HUD, instead of providing $30,000,000 for these activities to be funded under the Department of Justice, as proposed by the Senate. Language is added to limit eligibility under the fair housing initiatives program (FHIP) to only qualified fair housing enforcement organizations, as proposed by the Senate. The House and Senate conferees strongly support the enforcement of fair housing laws, but are concerned that FHIP funds have been used by non-traditional fair housing groups in a manner that is inconsistent with the program's intent to enforce fair housing laws. The conferees direct the Department to provide the Committees on Appropriations an opportunity to review the new standard of qualified fair housing organizations prior to awarding fiscal year 1996 FHIP funds. The House has proposed $30,000,000 for fair housing activities, but only for the fair housing assistance program (FHAP).

Amendment No. 37: Appropriates $962,558,000 for salaries and expenses, instead of $951,988,000 as proposed by the House and $980,777,000 as proposed by the Senate. The Department is to distribute the general reduction, subject to normal reprogramming guidelines. In addition, the conferees direct the Department to outline when and how future staffing reductions will occur to meet the Administration's goal of 7,500 HUD employees by fiscal year 2000. To the extent reductions are needed to take place in fiscal year 1996 to meet fiscal year 2000 staffing goals, the conferees urge the Department to utilize early in the fiscal year any resources needed to achieve such purpose.

Amendment No. 38: Authorizes the use of $532,782,000 for salaries and expenses from the various funds of the Federal Housing Administration as proposed by the Senate, instead of $505,745,000 as proposed by the House.

Amendment No. 39: Authorizes the use of $9,101,000 for salaries and expenses from the funds of the Government National Mortgage Association as proposed by the Senate, instead of $8,824,000 as proposed by the House.

Amendment No. 40: Authorizes the use of $675,000 for salaries and expenses from the Community Development Grants program account as proposed by the Senate, instead of $225,000 as proposed by the House.

Amendment No. 41: Appropriates $47,850,000 for salaries and expenses of the Office of Inspector General, instead of $47,388,000 as proposed by the House and $48,251,000 as proposed by the Senate.

Amendment No. 42: Authorizes the use of $11,283,000 for salaries and expenses of the Office of Inspector General from the various funds of the Federal Housing Administration as proposed by the Senate, instead of $10,961,000 as proposed by the House.

Amendment No. 43: Restores language proposed by the House and deleted by the Senate to appropriate $14,895,000 for the Office of Federal Housing Enterprise Oversight (OFHEO).

Amendment No. 44: Inserts language proposed by the Senate to allow the Secretary to sell up to $4,000,000,000 of assigned mortgage notes under the FHA Mutual Mortgage Insurance (FHA–MMI) Program account and use any negative credit subsidy amounts from such sales during fiscal year 1996 for the disposition of properties or notes under the FHA–MMI program.

Amendment No. 45: Appropriates $341,595,000 for administrative expenses of the guaranteed and direct loan programs of the FHA–MMI program account as proposed by the Senate, instead of $308,846,000 as proposed by the House.

Amendment No. 46: Authorizes the transfer of $334,483,000 for departmental salaries and expenses from the FHA–MMI program account as proposed by the Senate, instead of $308,290,000 as proposed by the House.

Amendment No. 47: Authorizes the transfer of $7,112,000 for the Office of Inspector General from the FHA–MMI program account as proposed by the Senate, instead of $6,790,000 as proposed by the House.

Amendment No. 48: Appropriates $85,000,000 for credit subsidies under the FHA-General and Special Risk Insurance (FHA–GI/SRI) program account, as authorized by Sections 238 and 519 of the National Housing Act, instead of $100,000,000 as proposed by Senate. It is the understanding of the conferees that when these funds are combined with new statutory authority to use net asset sales proceeds for additional credit subsidies, the combined program level will exceed $100,000,000. Under a different proviso stricken by the Senate, the House proposed $69,620,000 for these activities.

Amendment No. 49: Inserts technical correction to the language as proposed by the Senate.

Amendment No. 50: Establishes guarantee loan limitation of $17,400,000,000 as proposed by the Senate, instead of $15,000,000,000 as proposed by the House.

Amendment No. 51: Inserts language proposed by the Senate to authorize the sale of up to $4,000,000,000 of assigned notes under the FHA–GI/SRI program account. Under a separate proviso stricken by the Senate, the House had proposed the sale of $2,400,000,000 of such notes. Also inserts language proposed by the Senate to allow the use of any negative credit subsidy from such sales to offset new FHA–GI/SRI guarantee activity. A separate House provision stricken by the Senate contained similar language on the reuse of negative credit subsidies.

Amendment No. 52: Inserts language proposed by the Senate to allow funds previously appropriated to remain available

until expended if such funds have not been obligated. The House language stricken by the Senate extended the availability of such funds if they had not been previously made available for obligation.

Amendment No. 53: Deletes language proposed by the House and stricken by the Senate to reuse negative credit subsidies from the sale of FHA–MI/SRI assigned notes for new loan guarantee credit subsidies under the same account. Also deletes House language establishing a cap of $2,600,000,000 on the amount of such sales, a limitation on the availability of $52,000,000 of excess proceeds from such sales, and an appropriation of $69,620,000 for credit subsidies.

Amendment No. 54: Appropriates $202,470,000 for administrative expenses of the guaranteed and direct loan programs of the FHA–GI/SRI program account as proposed by the Senate, instead of $197,470,000 as proposed by the House.

Amendment No. 55: Authorizes the transfer of $198,299,000 for departmental salaries and expenses from the FHA–GI/SRI program account as proposed by the Senate, instead of $197,455,000 as proposed by the House.

Amendment No. 56: Appropriates $9,101,000 for administrative expenses of the Government National Mortgage Association (GNMA) guaranteed mortgage-backed securities program as proposed by the Senate, instead of $8,824,000 as proposed by the House.

Amendment No. 57: Authorizes the transfer of $9,101,000 for departmental salaries and expenses from the GNMA mortgage-backed securities guaranteed loan receipt account as proposed by the Senate, instead of $8,824,000 as proposed by the House.

ADMINISTRATIVE PROVISIONS

Amendment No. 58: Inserts administrative provisions agreed to by the conferees. These provisions, identified by section number, are as follows:

SEC. 201. Extend Administrative Provisions from the Rescission Act. Inserts language proposed by the Senate to modify and extend the applicability of language affecting the public housing modernization program and the public housing one-for-one replacement requirement first enacted in Public Law 104–19. The House proposed similar language to suspend the one-for-one replacement requirement for fiscal year 1996.

SEC. 202. Public and Assisted Housing Rents, Income Adjustments, and Preferences. (a) Minimum Rent. Inserts language to establish minimum rents at $25 per month per household and up to $50 per month at the discretion of the public housing authority (PHA). (b) Ceiling Rents. Also establishes a second calculation of ceiling rents that reflect reasonable market value of the housing but are not less than the monthly operating costs and, at the discretion of the PHA, contribution to a replacement reserve. (c) Definition of Adjusted Income. Allows PHAs to adopt separate income adjustments from those currently established under the Housing Act of 1937. However, the Secretary shall not take into account any reduction of the per unit dwelling rental income when calculating federal subsidies under the public housing operating subsidies program. (d) Preferences. Suspends federal preferences for the public and assisted housing programs. (e) Applicability. Extends the applicability of subsections (a), (b), (c), and (d) to Indian housing programs. (f) Limits the application of this section to fiscal year 1996 only.

SEC. 203. Conversion of Certain Public Housing to Vouchers. Establishes criteria for identifying public housing to be converted to voucher assistance, rules for implementation and enforcement, and a process for removing units from the public housing inventory and converting federal assistance to vouchers. Section 18 of the Housing Act of 1937 shall not apply to the demolition of developments under this section.

SEC. 204. Streamlining Section 8 Tenant-Based Assistance. (a) Suspends for fiscal year 1996 the ''take one, take all'' requirement, section 8(t) of the Housing Act of 1937. (b) Suspends for fiscal year 1996 certain notice requirements for owners participating in the certificate and voucher programs. (c) In addition, this provision suspends for fiscal year 1996 the ''endless lease'' requirement under section 8(d)(1)(B).

SEC. 205. Section 8 Fair Market Rentals, Administrative Fees, and Delay in Reissuance. (a) Establishes fair market rentals at the 40th percentile of modest cost existing housing instead of the current 45th percentile calculation. (b) Modifies provision to freeze administrative fees for tenant-based assistance administered by a public housing agency. (c) Delays the reissuance of section 8 vouchers and certificates by three months. The Administration originally proposed similar proposals in its fiscal year 1996 budget. Both the House and Senate are in agreement on these new policy directions.

SEC. 206. Public Housing/Section 8 Moving to Work Demonstration. Establishes a demonstration of no more than 30 public housing authorities to reduce cost and achieve greater cost-effectiveness in federal expenditures, to provide incentives for heads of households to become economically self-sufficient, and to increase housing choices for lower-income families. The demonstration may include no more than 25,000 public housing units.

SEC. 207. Repeal of Provisions Regarding Income Disregards. Repeals section 957 of the Cranston-Gonzalez National Affordable Housing Act and section 923 of the Housing and Community Development Act of 1992.

SEC. 208. Extension of Multifamily Housing Finance Programs. Extends sections 542(b)(5) and 542(c)(4) as proposed by the House and Senate.

SEC. 209. Foreclosure of HUD-held Mortgages Through Third Parties. During fiscal year 1996, allows the Secretary to delegate some or all of the functions and responsibilities in connection with the foreclosure of mortgages held by HUD under the National Housing Act.

SEC. 210. Restructuring of the HUD Multifamily Mortgage Portfolio Through State Housing Finance Agencies. During fiscal year 1996, allows the Secretary to sell or transfer multifamily mortgages held by the Secretary under the National Housing Act to a State housing finance agency.

SEC. 211. Transfer of Section 8 Authority. Allows the Secretary to use section 8 budget authority that becomes available because of the termination of a project-based assistance contract to provide continued assistance to eligible families. Section 8 renewal assistance may be used for the same purpose at the time of contract expiration.

SEC. 212. Documentation of Multifamily Refinancings. Extends through fiscal year 1996 and thereafter, the amendments to section 223(a)(7) of the National Housing Act included in Public Law 103–327.

SEC. 213. FHA Multifamily Demonstration. Establishes a demonstration to review the feasibility and desirability of ''marking-to-market'' the debt service and operating expenses attributable to HUD multifamily projects which can be supported with or without mortgage insurance under the National Housing Act and with or without above-market rents utilizing project-based or tenant-based assistance. Such demonstration is limited to 15,000 units over fiscal years 1996 and 1997. The provision also appropriates $30,000,000 as a credit subsidy for such activities.

SEC. 214. Section 8 Contract Renewals. Inserts language to limit the cost of section 8 contract renewals to the fair market rent (FMR) for the area, similar to language proposed by the House. In addition, language is added to make clear that the Secretary shall, at the request of the owner, renew expiring section 8 contracts for one year under the same terms and conditions as the expiring contract during fiscal year 1996. On October 1, 1996, additional expiring contracts will be subject to the local FMR. This language clarifies existing law with respect to renewal of these project-based subsidy contracts, and highlights the urgency of affirmative action by the authorizing committees in enacting legislation necessary to avoid loss of affordable housing and potential displacement of residents next fiscal year.

This section also amends the provisions of law requiring renewal of loan management setaside contracts to provide the Secretary the discretion to renew only that portion of expiring contracts necessary to avoid displacement of residents who have been previously assisted. Budgetary constraints will make continuing these rental subsidy contracts very difficult over the next several years and it is highly advisable that project owners reduce dependence on such project-based subsidies as such assisted residents voluntarily leave these developments.

Finally, this section amends the rental payment standards applicable to housing projects under section 236 of the National Housing Act to encourage the retention of working families in these developments by preventing rental charges in these projects which may exceed actual market rates in certain localities.

SEC. 215. Extension of Home Equity Conversion Mortgage Program. Extends demonstration through fiscal year 1996, increasing the maximum number of units insured from 25,000 to 30,000.

SEC. 216. Assessment Collection Dates for Office of Federal Housing Enterprise Oversight (OFHEO). Modifies OFHEO assessment collection dates to allow revenues to match the timing of expenditures.

SEC. 217. Merger Language for Assistance for the Renewal of Expiring Section 8 Subsidy Contracts and Annual Contributions for Assisted Housing. Merges the section 8 renewal account with annual contributions for assisted housing, as proposed by the House. This will allow a more accurate assessment of the ongoing commitment to affordable housing by the 104th Congress. More than 400,000 families will be assisted with funds provided under the Annual Contributions for Assisted Housing account in fiscal year 1996. Altogether, 4.5 million households will receive HUD assistance in fiscal year 1996.

SEC. 218. Debt Forgiveness. Inserts language to forgive public facilities loans in Hubbard and Groveton, Texas and Hepzibah, West Virginia. These loans were previously written off as uncollectible and will not increase the federal debt. In addition, the conferees direct the Department of Housing and Urban Development to work with the Rend Lake Conservacy District, Illinois, to resolve its indebtedness under the Public Facilities Loan program.

SEC. 219. Clarifications. Inserts language to clarify ''continuum of care'' requirements as applied to the Paul Mirabile Center in San Diego, California.

SEC. 220. Employment Limitations. Limits the number of Assistant Secretaries at the Department to 7, the number of schedule C employees to 77, and the number of non-career Senior Executive Service positions to 20. Such limitations are to be met by the end of fiscal year 1996.

SEC. 221. Use of Funds. Allows previously appropriated funds for Highland, California, and Toledo, Ohio, to be used in their respective communities for other purposes.

SEC. 222. Lead-based Paint Abatement. Amends eligible housing criteria under section 1011 of the Residential Lead-Based Paint Hazard Reduction Act of 1992.

SEC. 223. Extension Period for Sharing Utility Cost Savings with PHAs. Eliminates time restriction for sharing utility cost savings under section 9(a)(3)(B)(i) of the Housing Act of 1937.

SEC. 223A. Mortgage Note Sales. Extends for fiscal year 1996 mortgage sales under section 221(g)(4)(C)(viii) of the National Housing Act.

SEC. 223B. Repeal of Frost-Leland. This provision repeals section 415 of the VA, HUD, and Independent Agencies Appropriations Act for fiscal year 1988. The Dallas Housing Authority and the Housing Authority of the City of Houston may proceed with demolitions and revitalization of George Loving Place and Allen Parkway Village, respectively. In addition, the conferees have learned that the demolition of Allen Parkway Village, a large densely organized public housing project in Houston, Texas, which has been substantially vacant for over a decade, is being delayed by the section 106 process under the National Historic Preservation Act of 1966. The conferees believe that preservation of historic buildings is an admirable goal. However, the conferees do not believe that it is good policy to require the preservation of buildings unsuitable for modern family life at the expense of low income families in dire need of safe, decent, and affordable housing.

SEC. 223C. FHA Single-Family Assignment Program Reform. Reforms the assignment process of the Federal Housing Administration to reflect cost-savings achieved in the private sector for working out delinquent loans to avoid foreclosure and minimizing losses to the mortgage insurer.

SEC. 223D. Spending Limitations. (i) Property Insurance. The Department is in the process of promulgating regulations under the Fair Housing Act regarding discriminatory practices in property insurance activities. Certain courts have ruled upholding the application of the Fair Housing Act to property insurance. However, significant questions have been raised relative to HUD's jurisdiction in this regard, especially in light of the McCarran-Ferguson Act, which reserves to the States authority to regulate insurance matters, and the Fair Housing Act, which makes no mention of discriminating in providing property insurance.

Given the uncertainty and controversy over this issue, it is the consensus that this important issue should be promptly addressed by the legislative committees of jurisdiction.

(2) Prohibition on Penalties or Sanctions Against Communities That Adopt English as the Official Language. The conferees are concerned that communities across the United States feel it necessary to adopt State or local law or regulations to declare English the official language. While English ought to be an essential part of the American experience, the conferees do not oppose bilingual education and recognize the importance of such education efforts in order to meet the needs of an increasing population of immigrants and others, who in too many cases, are economically disadvantaged. The real need for Americans is to communicate fully with one another. To the extent English is chosen in individual communities as the main language, HUD ought not to punish or impose sanctions because of this action.

(3) Lobbying Prohibition. Prohibits funds provided under this Act from being used for purposes not authorized by the Congress.

(4) RESPA. The conference agreement does not include language prohibiting the expenditure of funds to promulgate regulations based upon the July 21, 1994 proposed rule on the Real Estate Settlement Procedures Act (RESPA). However, the conferees are concerned that HUD has been interpreting RESPA in a manner that may stifle competition and the development of innovative services in the settlement services industry. Before proceeding to finalize such rulemaking, the conferees urge the Department to seek additional guidance on this important issue from the appropriate authorizing committees.

(5) Land Use Regulations for Residential Care. Communities across the country have expressed serious concerns with fair housing law as it relates to their ability to review and implement and use regulations for residential care facilities. The conferees encourage the Department to work with the relevant authorizing committees to develop legislative remedies for these concerns as soon as possible.

SEC. 223E. Transfer of Functions to the Department of Justice. Language is inserted to transfer fair housing activities to the Department of Justice effective April 1, 1997. A similar provision was proposed by the Senate in amendment numbered 116. This transfer would include all responsibilities for fair housing issues, including administering the Fair Housing Assistance Program (FHAP) and the Fair Housing Initiatives Program (FHIP). This 18-month transition would give the Department of Justice adequate time to ensure a smooth transfer of all functions. Congress would also have an opportunity to review key implementation issues.

The conferees emphasize that the intent of this provision is not to minimize the importance of addressing housing discrimination in this nation; instead, the Department of Justice with its own significant (and primary) responsibilities to address all forms of discrimination represents the appropriate place to consolidate and to provide consistency in policy direction for the federal government to combat discrimination, including discrimination with regard to housing issues.

While many members of Congress are advocating the elimination of HUD, the transfer of HUD's fair housing programs to the Department of Justice will allow HUD to refocus on its primary responsibilities of providing housing and community development assistance. The larger issue of determining the fate of HUD is better suited for the authorizing committees of the House and Senate.

Amendment No. 59: Inserts language proposed by the Senate to prohibit the expenditure of funds under this Act for the investigation or prosecution under the Fair Housing Act of any otherwise lawful activity, including the filing or maintaining of non-frivolous legal action, that is engaged in solely for the purposes of achieving or preventing action by a Government official, entity, or court of competent jurisdication.

Amendment No. 60: Inserts language proposed by the Senate to prohibit the use of funds under this Act to take enforcement action under the Fair Housing Act on the basis of familial status and which involves an occupancy standards except under the occupancy standards established by the March 20, 1991 Memorandum from the General Counsel of HUD to all Regional Counsel, or until such time as HUD issues a final rule on occupancy standards in accordance with standard rulemaking.

Amendment No. 61: Inserts language proposed by the Senate to allow reconstruction or rehabilitation costs as eligible activities for the expenditure of Community Development Block Grant funds, not just reconstruction and rehabilitation costs in conjunction with acquisition costs.

Amendment No. 62: Deletes language proposed by the Senate requiring HUD to submit a report to Congress on the extent federal funds are used to facilitate the closing or substantial reduction of operations of a plant that result in the relocation or expansion of a plant from one state to another. Instead, conferees direct HUD to review available data on this issue and report to Congress the costs and benefits of establishing such a database.

## TITLE III—INDEPENDENT AGENCIES

### CONSUMER PRODUCT SAFETY COMMISSION

The conferees agree to provide $40,000,000 for the Consumer Product Safety Commission, a reduction of $4,000,000 from the budget request. The conferees direct the Commission to make the necessary reduction in expenditures from among operating expenses, including contract services, overhead accounts such as space, rent, telephone and travel and by delay in filling vacant positions.

### CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Amendment No. 63: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to the amendment of the House with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

*For necessary expenses for the Corporation for National and Community Service in carrying out the orderly termination of programs, activities, and initiatives under the National and Community Service Act of 1990, as amended (Public Law 103–82), $15,000,000; Provided, That such amount shall be utilized to resolve all responsibilities and obligations in connection with said Corporation and the Corporation's Office of Inspector General.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

### COURT OF VETERANS APPEALS

The bill provides $9,000,000 for the Court of Veterans Appeals. The funding levels for this agency is not in conference because the recommended amount in the bill was identical as it passed both the House and the Senate. Because of concerns expressed with this level of funding, the conferees intend that the Committees on Appropriations review the benefits of the Court and how it can best operate in a constrained budget environment. It may be that the authorizing committees will also want to review these matters.

## DEPARTMENT OF DEFENSE—CIVIL

### CEMETERIAL EXPENSES, ARMY

Amendment No. 64: Appropriates $11,946,000 for salaries and expenses as proposed by the Senate, instead of $11,296,000 as proposed by the House.

## ENVIRONMENTAL PROTECTION AGENCY

### SCIENCE AND TECHNOLOGY

Amendment No. 65: Appropriates $525,000,000 for science and technology activities instead of $500,000,000 as proposed by the Senate and $384,052,000 under research and development as proposed by the House. The research and development account as proposed by the House and stricken by the Senate is deleted and a new science and technology account is adopted in lieu thereof.

The new science and technology account has been created to begin the consolidation of all research related activities at EPA, including appropriate personnel and laboratory costs. The conferees note that Environmental Service Division (ESD) labs have not been brought under this account at this time, however, the Agency is expected to provide an analysis of whether ESD labs, as well as other research related activities,

should be included in this account in the fiscal year 1997 budget.

The conferees recognize that with the new account structure, EPA has additional flexibility to manage its resources. The conferees wish to make clear, however, that EPA is not to apply budgetary reductions disproportionately to contracts relative to the workforce. The agency must plan for further budgetary reductions anticipated in the outyears by gradually reducing its workforce, and the account structure is intended in part to ease the difficulties and disruption associated with downsizing the workforce. Any reprogramming of funds that become necessary throughout the fiscal year is to be made upon the notification and approval of the Committees on Appropriations.

The conferees are in agreement with the following changes to the budget request:

+$150,000,000 for research and development personnel costs transferred from the former program and research operations account.

+$35,000,000 for laboratory and facilities costs transferred from the former abatement, control, and compliance account.

+$500,000 for the National Urban Air Toxics Research Center.

+$2,500,000 for the Gulf Coast Hazardous Substance Research Center.

+$1,500,000 for the Water Environment Research Foundation.

+$2,500,000 for the American Water Works Association Research Foundation (AWWARF).

+$730,000 for continued study of livestock and agricultural pollution abatement.

+$1,000,000 for continuation of the San Joaquin Valley PM–10 study.

+$2,000,000 to continue research on urban waste management at the University of New Orleans.

+$1,500,000 for the Resource and Agricultural Policy Systems program at Iowa State University.

+$500,000 for oil spill remediation research at the Spill Remediation Research Center.

+$1,000,000 for research on the health effects of arsenic. In conducting this research, the Agency is strongly encouraged to contract with groups such as the AWWARF so that funds can be leveraged to maximize available research dollars.

+$1,000,000 for the Center for Air Toxics Metals.

+$1,000,000 for the EPSCoR program.

+$18,000,000 for research and development transferred from the hazardous substance superfund account, including $5,000,000 for the hazardous substance research center program. The conferees agree that most research being conducted under the Superfund account has application across media lines and thus should be carried forward in a manner consistent with all other Agency research and development activities. With this transfer, the conferees have included a total of $20,500,000 for Superfund research in the new science and technology account, including $2,500,000 for the Gulf Coast Hazardous Substance Research Center. This represents a further step in consolidating all agency research within this account. Should the amount provided for Superfund research be insufficient, the Committees on Appropriations would entertain an appropriate reprogramming request from the agency. The conferees expect EPA to conform its fiscal year 1997 budget submission to this account restructuring, including Superfund research.

−$69,200,000 from the Environmental Technology Initiative. Remaining funds in this program are to be used for technology verification activities, and the agency is expected to submit a spending plan for this activity as part of its annual operating plan.

−$31,645,700 from the Working Capital Fund included in the budget request. This new fund has not been approved for fiscal year 1996, however, the conferees are generally receptive to the philosophy behind the adoption of such a fund and expect to work closely with the agency throughout the fiscal year to develop a proposal for consideration for fiscal year 1997.

−$19,545,300 as a general reduction, subject to normal reprogramming guidelines

The conferees have deleted Senate bill language contained in amendment number 92 related to EPA research and development activities and staffing. However, the conferees agree that EPA has not provided adequate information to the Congress regarding its new Science to Achieve Results (STAR) initiative including its purpose; the effects it might have on applied research needed to support the agency's regulatory activities; the impact on current staffing, cooperative agreements, grants, and support contracts; whether STAR will duplicate the work of other entities such as the National Science Foundation; and how STAR relates to the strategic plan of the Office of Research and Development. Therefore, the agency is directed to submit by January 1, 1996 a report to address these issues. The report also should identify the amount of funds to be spent on STAR, and a listing of any resource reductions below fiscal year 1995 funding levels, by laboratory, from federal staffing, cooperative agreements, grants, or support contracts as a result of funding for the STAR program. No funds should be obligated for the STAR program until the Committees are in receipt of the report.

The conferees direct EPA to discontinue any additional hiring under the contractor conversion program in the Office of Research and Development (ORD) and provide to the Committees by January 1, 1996, a staffing plan for ORD indicating the use of federal and contract employees.

As part of the peer review process of research activities, the conferees expect ORD to place more reliance on oversight and review of its ongoing research by the Science Advisory Board. The conferees agree that better use of the Board in such an oversight and review role will greatly enhance the credibility of the ''science'' conducted by EPA in support of program activities.

Finally, the conferees note that funds deleted by the House for the Gulf of Mexico Program (GMP) have been fully restored. While the conferees thus support its continuation for fiscal year 1996, there nevertheless remain concerns regarding the current scope, cost, and long term direction the agency has planned for this program. Precious little information is presented through budget justifications in support of the GMP, yet it has enjoyed financial support through the EPA, as well as significant contributions from numerous other federal and state sources. The conferees expect the agency to perform a thorough study and evaluation of this program and its total expenditures, from all sources, and include such information in the fiscal year 1997 budget support documents.

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

Amendment No. 66: Appropriates $1,550,300,000 for environmental programs and management instead of $1,670,000,000 under program administration and management as proposed by the Senate and $1,881,614,000 under environmental programs and compliance as proposed by the House. The environmental programs and compliance account as proposed by the House and stricken by the Senate is deleted and a new account is adopted in lieu thereof.

The new account combines most of what were formerly the abatement, control, and compliance and program and research operations accounts, thus providing the Agency with increased flexibility to meet personnel and program requirements within the framework of reduced financial resources. As noted under the science and technology account, personnel and laboratory costs associated with research activities have been reduced from the budget request under the aforementioned two accounts. Additionally, state categorical grants proposed in the budget request under abatement, control, and compliance have been moved to the new state and tribal assistance grant account.

In addition to providing flexibility across program lines, the actions of the conferees in approving such structural changes also are due to the necessity of the agency to make substantial changes in the manner in which it carries out its mission. It must be recognized that there simply are not enough financial resources available to remedy every environmental problem that can be identified. Rather, EPA must develop serious priorities, using cost-benefit-risk analysis if appropriate, so that it can go about the task of accomplishing meaningful environmental goals in an orderly and systematic way. To this end, the old ''command and control'' approach must be discarded—in the Regions as well as in headquarters—and replaced with new methods that promote facilitation, compliance assistance, and federal-state-business partnerships coupled with financial leveraging. The agency's Common Sense Initiative and Project XL are excellent examples of such new methods, and the conferees strongly urge the agency to be more deliberate and aggressive in its move to foster these new, flexible partnerships and relationships with the states and with business without compromising the environmental goals set by the Congress and carried out by the agency. The conferees stand ready to assist the agency in its move in this new direction.

The conferees strongly support the recommendations made by the National Academy of Public Administration in ''Setting Priorities, Getting Results: A New Direction for EPA'' as outlined in both the House and Senate committee reports accompanying this bill. The conferees believe that monitoring the progress in implementing NAPA's recommendations, and evaluating the effectiveness of such initiatives as Project XL, performance partnerships, and the Common Sense Initiative to determine if these programs offer the country a significant improvement over traditional regulatory approaches is very important. The conferees direct EPA to propose to the Committees by February 15, 1996, how to evaluate these initiatives, the agency's progress in implementing NAPA's recommendations, and how changes in EPA's management systems and organizational structure encourage or inhibit these innovations. EPA should consider as part of its proposal a further involvement by NAPA or other outside parties in this evaluation.

The conferees are in agreement on the following changes to the budget request:

+$2,000,000 for the Southwest Center for Environmental Research and Policy.

+$1,600,000 for Clean Water Act sec. 104(g) wastewater operator training grants.

+$350,000 for the Long Island Sound office.

+$1,000,000 for the Sacramento River Toxic Pollutant Control program, to be cost shared.

+$1,000,000 for continuing work on the water quality management plan for the Skaneatles, Owasco, and Otisco Lake watersheds.

+$300,000 for the Cortland County, New York aquifer protection plan.

+$8,500,000 for rural water technical assistance activities.

+$500,000 for continuation of the Small Public Water Systems Technical Assistance Center at Montana State University.

+$300,000 for a feasibility study for the delivery of water from the Tiber Reservoir to Rocky Boy Reservation.

+$2,000,000 for the small grants program to communities disproportionately impacted by pollution.

+$1,000,000 for community/university partnership grants.

+$300,000 for the National Environmental Justice Advisory Council.

+$1,000,000 for ongoing Earthvision educational programs.

+$500,000 for ongoing programs of the Canaan Valley Institute.

+$900,000 for remediation of former and abandoned lead and zinc mining in Missouri.

+$250,000 for an evaluation of groundwater quality in Missouri where evidence exists of contamination associated with anthropological activities.

+$75,000 for the Rocky Mountain Regional Water Center's model watershed planning effort.

+$150,000 for the National Groundwater Foundation to continue ongoing programs.

+$500,000 to continue the methane energy and agricultural development demonstration project.

+$185,000 for the Columbia River Gorge Commission for monitoring activities.

+$1,000,000 for environmental review and basin planning for a sewer separation demonstration project for Tanner Creek.

+$300,000 to continue the Small Business Pollution Prevention Center managed by the Iowa Waste Reduction Center.

+$1,500,000 for the final year of the Alternative Fuels Vehicle Training program.

+$2,000,000 for the Adirondack Destruction program to assess the effects of acid deposition.

+$750,000 for the Lake Pontchartrain management conference.

+$750,000 to continue the solar aquatic waste water demonstration program in Vermont.

+$1,000,000 to continue the onsite waste water treatment demonstration through the small flows clearinghouse.

+$235,000 for a model program in the Cheney Reservoir to assess water quality improvement practices related to agricultural runoff.

+$500,000 to continue the coordinated model tribal water quality initiative in Washington State.

+$250,000 for the Ala Wai Canal watershed improvement project.

+$200,000 for the Sokaogon Cheppewa Community to continue to assess the environmental impacts of a proposed sulfide mine project.

+$2,000,000 for a demonstration program to remediate leaking above ground storage tanks in Alaska.

+$1,000,000 for the National Environmental Training Center for Small Communities.

+$500,000 for the Lake Champlain basin plan available for Vermont and New York.

+$31,645,700 for the Working Capital Fund transferred from the former research and development account. This fund has not been approved.

−$11,900,000 from low priority activities in the Office of Air and Radiation, except that no funds are to be reduced from the budget request for the WIPP compliance criteria or from the program activities associated with work at Yucca Mountain, Nevada.

−$2,600,000 from the Environmental Justice program, including the Partners in Protection Program.

−$47,000,000 from the Environmental Technology Initiative.

−$55,000,000 from Climate Change Action Plan programs. The conferees note that over $80,000,000 remains available for this program, an amount double that provided in fiscal year 1994. The agency is directed to terminate funding for programs which compete directly or indirectly with commercial business, including the Energy Star Homes Program.

−$12,000,000 from the Montreal Protocol Facilitation Fund.

−$405,000 from the Building Air Quality Alliance.

−$48,000,000 from low priority enforcement activities.

−$1,800,000 from low priority environmental education activities. The conferees urge the agency to ensure that other resources will be provided for the third and final year to carry out the environmental education grants program to minority institutions. In addition, the conferees expect the National Environmental and Training Foundation will be funded at the fiscal year 1995 level.

−$3,000,000 from low priority activities in the Office of International Activities.

−$350,000 from activities related to unauthorized research related to electromagnetic fields.

−$2,000,000 from the national service initiative.

−$1,000,000 from the GLOBE program.

−$25,000,000 from regional and state oversight activities.

−$81,474,300 from program office laboratory costs requested under the former abatement, control, and compliance and program and research operations accounts. As noted in the science and technology account, funds have been made available to continue funding these facilities under the new account structure agreed to by the conferees.

−$140,080,200 from Office of Research and Development personnel costs requested under the former program and research operations account. As noted in the science and technology account, funds have been made available to meet personnel requirements under the new account structure agreed to by the conferees.

−$683,466,200 from state and tribal categorical grants which have been transferred by the conferees from the former abatement, control, and compliance account to the new state and tribal assistance grants account.

−$166,786,000 as an undistributed general reduction throughout this restructured account, subject to the modified reprogramming procedures.

No legislative provisions as proposed by the House and stricken by the Senate have been included in this new account.

To provide the EPA with enhanced spending flexibility, the conferees have included language in the bill which makes funds available for expenditure for two years until September 30, 1997, and have agreed on reprogramming procedures for this account only, which permit reprogrammings below $500,000 without notice to the Committees, reprogrammings between $500,000 and $1,000,000 with notice to the Committees, and reprogrammings over $1,000,000 with approval of the Committees.

The conferees agree on the importance of the Environmental Finance Centers and expect that they be adequately supported. Similarly, the conferees direct that a grant for Sarasota County, Florida be provided from within funding for the National Estuary Program to support the implementation of the Sarasota Bay NEP Conservation and Management Plan. Finally, the conferees note that the Chesapeake Bay Program has been fully funded and expect that appropriate resources will be devoted to oyster reef construction in the Chesapeake.

The conferees urge EPA to work in a cooperative manner with the Commonwealth of Virginia to resolve issues concerning the state's proposed state implementation plan relative to title V of the Clean Air Act, and to receive the court's guidance before implementing section 502(b)(6) of the Act.

The conferees are in agreement that EPA should consider holding in abeyance the development of a proposed rule concerning a Sole Source Aquifer Designation for the Eastern Columbia Plateau Aquifer System in eastern Washington State, until all issues raised by the State are fully explored and resolved in a manner which meets the needs of all parties.

The conferees also remain concerned about reports filed earlier this year in Milwaukee, Wisconsin and other locations regarding illness alleged to be caused by the use of reformulated gasoline (RFG). While the conferees note that the scientific community has yet to make a direct link between such illness and the use of RFG, the conferees nevertheless expect the agency to continue its review of all available literature and data developed in response to this situation—including such information that may be developed during the winter of 1995–1996—and provide a determination of what additional studies or actions may be necessary to adequately monitor and address the situation.

The conferees are concerned about the interim policy statement on voluntary environmental self policing and self disclosure by the agency. The conferees believe that these state initiatives may prove to be valuable tools to increase compliance with environmental laws in their states. Therefore, the conferees urge EPA to work with the appropriate Committees of Congress to develop an appropriate policy concerning state environmental audit or self evaluation privilege or immunity laws.

As expressed in both House and Senate Committee reports accompanying H.R. 2099, there continues to be concern with EPA's proposed ''cluster rule'' for pulp and paper. The conferees urge EPA to appropriately address pollutants emitted at only de minimus levels, such as metals from pulping combustion sources, by using its existing authority to establish a de minimus exemption for such pollutants, or by establishing an emission threshold or level of applicability which would achieve a similar result.

Similarly, the conferees remain concerned about the direction taken by the agency with regard to the promulgation of a rule under TSCA to ban or regulate the use of acrylamide and n-methylolacrylamide (NMA) grouts. Such grouts are an important tool in the repair of sewer systems, and the loss of this tool would substantially impair the ability of municipalities to effect repairs of sewer systems without major and costly construction. The conferees strongly urge the agency to review its risk assessment and cost-benefit analysis and provide the appropriate committees of the Congress with all relevant updated information developed through this review, prior to moving forward in this matter.

The conferees agree that concerns raised by the House regarding the joint EPA/DOE Life Cycle Assessment program have been addressed adequately by the agency. Provided that the agency continues to coordinate the scope, application, and direction of the program with the private sector, the conferees do not object to the use of appropriations in the furtherance of this program.

The conferees are concerned with EPA's plans to expand the Toxics Release Inventory (TRI) to include toxics use data, despite the lack of specific authorization under the Emergency Planning and Community Right-to-Know Act. The conferees note that while

the legislation establishing the TRI (42 U.S.C. 11023) directs EPA to publish a uniform toxics chemical release form providing for the submission of data on ''the general category or category of use'' of a chemical, and the Pollution Prevention Act (42 U.S.C. 13101–13109) expanded the TRI by requiring that facilities filing such a release form include a source reduction and recycling report, Congress has not granted EPA the specific authority to expand the TRI to require the reporting of any mass balance, materials accounting, or other data on amounts of chemicals used by a reporting facility. The conferees urge EPA not to take final action to create a Toxics use Inventory until it seeks specific legislative authority to do so.

The conferees have agreed to delete a provision proposed by the House which prohibited the expenditure of funds to impose or enforce proposed rules under section 112(r) of the Clean Air Act and instead note their pleasure that EPA is considering amendments to the risk management plan list rule which address some of the concerns underlying the House amendment. The conferees remain concerned, however, that the status of natural gas processors may not be adequately addressed in these amendments. Arguments advanced to exempt exploration and production facilities from section 112(r) are equally applicable in the case of natural gas processing facilities, which are also remotely-located, uncomplicated, and often unmanned. Therefore, the conferees urge EPA to consider extending any clarification regarding exploration and production facilities to natural gas processors.

The conferees have also deleted language proposed by the House regarding the recently published maximum achievable control technology (MACT) rule for the petroleum refining industry. At both the House and Senate fiscal year 1996 budget hearings for the agency, held this spring, considerable testimony was taken on the issue of this refinery MACT. Although all parties agree that portions of this rule are acceptable and workable, testimony received at these hearings indicated that the agency drafted much of the rule relying on data that was as much as 15 years old, even when agency-acceptable three year old data was available. As the testimony itself revealed, drafting of MACT rules in this manner may not be consistent with the intent of the Congress in the passage of the Clean Air Act. In this regard, the conferees urge the agency to consider proposing appropriate amendments, using the latest data, to this rule so that the strongest, and fairest, MACT rule can be instituted.

Similarly, based on testimony received during the fiscal year 1996 budget hearings, the House had included bill language prohibiting the expenditure of funds to proceed with the so-called ''combustion strategy'' unless the agency followed its own regulatory guidelines. While the conferees have deleted this language they nevertheless remain concerned with the expenditure of funds by any agency in pursuit of a rulemaking which is in conflict with their own rules and procedures. In this instance, EPA has stated publicly that its use of applicable statutory authority must be accompanied by site-specific findings of risk in the administrative record supporting a permit and that any conditions are necessary to ensure protection of human health and the environment (56 Federal Register 7145). The conferees strongly urge the agency to fully comply with its own regulations in any invocation of omnibus permitting authority, and, in furtherance of their hearing records in this matter, direct EPA to report to the House and Senate Appropriations Committees as to how the agency intends to implement these requirements in connection with its ''Combustion Strategy.'' In this regard, it should be noted that the National Academy of Sciences is conducing currently a study on the health effects of waste combustion scheduled for completion in September 1996. To ensure that policies are based on the best up-to-date science and to incorporate appropriate Academy findings, the conferees believe the sensible approach would be to await the results of the study before finalizing a rule addressing the combustion of hazardous waste.

Given the importance of maintaining an adequate and wholesome food supply to ensure good public health, the Office of Pesticide Programs (OPP) is encouraged to take steps to retain the same level of funding and FTEs as has been provided in fiscal year 1995.

It is the intention of the conferees that the EPA avoid unnecessary or redundant regulation and minimize burdens on beneficial research and development of genetically engineered plants. The conferees note that both the National Research Council of the National Academy of Sciences and the World Health Organization have concluded that the application of recombinant DNA technology does not pose any unique risk to food safety or the environment. While the conferees acknowledge the basic regulatory requirements set forth under the Federal Insecticide, Fungicide and Rodenticide Act, the agency is urged to minimize the regulatory burden on the developers of products of such technology. Moreover, the agency should adopt risk based regulations or exemptions from regulations for small scale field testing of genetically engineered plants that are not dissimilar from those regulations set forth for the testing of other pesticides. The conferees expect EPA to report to the appropriate committees of the Congress by May 1, 1996 on any regulatory or trade burdens imposed by the agency through registration under the Federal Insecticide, Fungicide and Rodenticide Act on developers of genetically modified plants (including such burdens as have been identified by academic scientists performing research in the field, companies using biotechnology techniques, and others), as well as the agency's actions to reduce those burdens to levels commensurate with the risks.

Language with regard to an exemption from section 307(b) of the Federal Water Pollution Control Act, as amended, for the Kalamazoo Water Reclamation Plant, has been included. The conferees slightly modified the language as proposed by the Senate to require that treatment and pollution removal is equivalent to or better than that which would be required through a combination of pretreatment by an industrial discharger and treatment by the Kalamazoo Water Reclamation Plant in the absence of the exemption.

The conferees expect the agency to promptly implement its partial response to a Citizen Petition filed September 11, 1992 regarding pesticide regulatory policies. Further, the conferees expect the agency promptly to complete its response to that Petition and another Citizen Petition filed July 10, 1995 in such a way as to minimize the unnecessary loss of pesticides that pose no more than a negligible risk to health or the environment.

Further, based on the possible risk to public health, EPA is strongly urged not to take action on the tolerance for ethylene oxide without first referring the results of the Ethylene Oxide Scientific Review Panel to the EPA Scientific Advisory Board. EPA shall then report to the Committees on the SAB's report and EPA's evaluation of that report.

Amendment No. 67: Deletes language proposed by the Senate making a technical change.

Amendment No. 68: Appropriates $28,500,000 for the Office of Inspector General instead of $28,542,000 as proposed by the House and $27,700,000 as proposed by the Senate. The conferees agree that the program level for the OIG will be $40,000,000, which includes transfers of $500,000 from the LUST trust fund and $11,000,000 from the hazardous substance superfund account.

Amendment No. 69: Appropriates $60,000,000 for buildings and facilities as proposed by the Senate instead of $28,820,000 as proposed by the House. Up to $33,000,000 of the amount made available is for completion of the Ft. Meade, Maryland/Region III lab facility. Remaining funds are for facility repair, maintenance and improvements, and for renovation of the new headquarters facility.

The conferees note that the lack of financial resources made it impossible to fund the first phase of new construction at Research Triangle Park. Nevertheless, the conferees acknowledge the demonstrated need for new or updated facilities consistent with the mission conducted at this important research facility. Prior to the submission of the fiscal year 1997 budget request, the agency is directed to provide a report to the Committees on Appropriations which includes realistic, cost-effective alternatives in addition to construction of a new facility.

HAZARDOUS SUBSTANCE SUPERFUND

Amendment No. 70: Deletes language proposed by the House and stricken by the Senate which provides that all appropriations for the hazardous substance superfund be derived from general revenues, and inserts language proposed by the Senate in lieu thereof which provides that a specific portion of the appropriation for the hazardous substance superfund be derived from the superfund trust fund as authorized by section 517(a) of the Superfund Amendments and Reauthorization Act of 1986, as amended by P.L. 101–508, and the remainder be derived from general revenues as authorized by section 517(b) of the Superfund Amendments and Reauthorization Act of 1986, as amended by P.L. 101–508. For the hazardous substance superfund, $913,400,000 shall be derived from the trust fund, instead of $753,400,000 as proposed by the Senate, and $250,000,000 shall be derived from general revenues, as proposed by the Senate.

In addition, language is inserted providing a total of $1,163,400,000 for Superfund.

Amendment No. 71: Provides $11,000,000 for transfer to the Office of Inspector General instead of $5,000,000 as proposed by the House and $11,700,000 as proposed by the Senate.

Amendment No. 72: Provides $59,000,000 for the Agency for Toxic Substances and Disease Registry instead of $62,000,000 as proposed by the House and $55,000,000 as proposed by the Senate.

Amendment No. 73: Deletes language proposed by the House and stricken by the Senate which makes no funds appropriated under this account available for expenditure after December 31, 1995 unless the Comprehensive Environmental Response, Compensation and Liability Act of 1980 is reauthorized.

Amendment No. 74: Inserts language proposed by the Senate, with a modification, which prohibits the expenditure of funds for the proposing for listing or the listing of sites on the National Priorities List (NPL) established by section 105 of CERCLA, as amended, unless the Administrator of the EPA receives a written request to place the site on the NPL from the governor of the state in which the site is located, unless CERCLA, as amended, is reauthorized. The

conferees note that this provision is consistent with the reduction in spending for Superfund pending reauthorization. Also, it reflects Congressional efforts to turn more responsibility for Superfund over to the States.

Amendment No. 75: Deletes language proposed by the Senate directing the funding of the Brownfields Economic Redevelopment Initiative at a level sufficient to complete the award of 50 cumulative Brownfields Pilots by the end of fiscal year 1996 and to carry out other elements of the Brownfields Action Agenda. The conferees are in agreement as to the importance of the Brownfields programs and direct the agency to provide financial assistance to local communities to expedite the assessment of Brownfields sites in order to ensure early remediation of these properties in conjunction with local economic development goals. The Brownfields initiative is to be funded at no less than the current level.

For the hazardous substance superfund program, the conferees have provided $1,163,400,000, and direct that the agency prioritize resources, to the greatest extent possible, on NPL sites posing the greatest risk. The conferees note that, based on figures supplied by EPA, this appropriation is more than sufficient to continue all scheduled work (including the completion of one work phase and the movement to the next) on all sites currently on the NPL, as well as deal adequately and appropriately with all emergency response needs. While the authorizing committees proceed with the reauthorization and reform of the Superfund program, something that literally all stakeholders endorse, the conferees felt it was inappropriate to place new sites on the NPL. However, EPA is directed to move forward with real clean-up actions in an improved, aggressive manner while minimizing overhead, personnel and other administrative costs. Additionally, the agency is directed to submit a detailed report to the Committees on Appropriations, prior to their respective fiscal year 1997 budget hearings, on the demonstrated improvements, if any, on reducing such overhead, personnel and other administrative costs.

Included in the appropriated level are the following amounts:

$800,379,000 for hazardous substance superfund response actions.

$125,076,000 for management and support, including $11,000,000 transferred to the Office of Inspector General and $3,076,000 for the Office of Air and Radiation.

$127,000,000 for enforcement.

$140,945,000 for interagency activities including $59,000,000 for ATSDR; $48,500,000 for NIEHS, of which $32,000,000 is for research and $16,500,000 is for worker training; $25,000,000 for the Department of Justice; $4,350,000 for the U.S. Coast Guard; $2,000,000 for NOAA; $1,100,000 for FEMA; $680,000 for the Department of the Interior; and $315,000 for OSHA.

The conferees have also agreed to an undistributed reduction of $30,000,000 from administrative costs and to a limit on administrative expenses of $275,000,000, subject to normal reprogramming procedures.

The conferees fully support the continuation of the ATSDR minority health professions cooperative agreement at the $4,000,000 funding level, as well as the continuation of adequate funding for the ATSDR health effects study on the consumption of Great Lakes fish. Similarly, the conferees note continued support for the Mine Waste Technology Program from within available funds at an FY 1996 level of $3,000,000.

As noted earlier, the authorizing committees are currently undertaking the reauthorization and reform of the Superfund program. While the conferees acknowledge that honest disagreements exist as to the shape such reform should take, there nevertheless are many things the agency can and should be doing now within the context of reform that amount to nothing more than good government.

One such area of concern to the conferees is that of proper notification by the agency of persons of potential liability for facilities on the NPL. Potentially responsible parties (PRPs) have a reasonable expectation to be notified by the EPA in a timely manner and within a time frame that permits participation in remedy selection and execution. In particular, it is inequitable and unconscionable for the agency to identify a PRP without the means to effectively participate in remedy selections and execution and then, after the remedy has been substantially completed, to attempt to identify other parties to pay for the remedial activity. PRP's should be identified as soon as practicable to allow all potentially interested parties to bring their individual expertise and resources to bear on a commonly identified remedy and to fully participate in the remediation of an NPL site if they are expected to bear the expense of the activity. The conferees expect the agency to review all of its activities to determine the extent to which such situations have occurred and, in conjunction with the Department of Justice, make every effort to remedy such actions in a non-confrontational, non-litigious manner.

Amendment No. 76: Limits administrative expenses for the leaking underground storage tank trust fund to $7,000,000, instead of $5,285,000 as proposed by the House and $8,000,000 as proposed by the Senate.

Amendment No. 77: Provides $500,000 for transfer to the Office of Inspector General instead of $426,000 as proposed by the House and $600,000 as proposed by the Senate.

Amendment No. 78: Appropriates $15,000,000 for oil spill response as proposed by the Senate instead of $20,000,000 as proposed by the House.

Amendment No. 79: Limits administrative expenses for oil spill response to $8,000,000 as proposed by the Senate instead of $8,420,000 as proposed by the House.

STATE AND TRIBAL ASSISTANCE GRANTS

Amendment No. 80: Appropriates $2,323,000,000 for state and tribal assistance grants, instead of $2,340,000,000 as proposed under program and infrastructure assistance by the Senate, and instead of $1,500,175,000 as proposed under water infrastructure/state revolving funds by the House. The water infrastructure/state revolving fund account proposed by the House and stricken by the Senate and the program and infrastructure assistance account proposed by the Senate are deleted, and the new state and tribal assistance grant account is adopted in lieu thereof.

The conferees have agreed to the creation of this new account, within the structure proposed by the Senate, so as to enhance the Agency's ability to provide performance partnerships, or block grants, to the states and tribal governments. Language creating the performance partnership program and language permitting the Administrator to make multi-media environmental grants to recognized tribal governments, has been included. Language which clarifies that the funds for a grant to the City of Mt. Arlington, New Jersey, appropriated in P.L. 103–327 in accordance with House Report 103–715, were intended for water and sewer improvements, has also been included. Finally, the conferees have included language proposed by the Senate which would allow a portion of the funds appropriated for the construction grants program in fiscal year 1992 and thereafter, under the Clean Water Act for construction grants and special projects, to be used by States for the purposes of administering the completion or closeout of any remaining such projects. States will be required to reimburse the grant recipient from other State funds available to the State to support construction activities.

From within the appropriated level, the conferees agree to the following amounts:

$1,125,000,000 for wastewater capitalization grants.

$275,000,000 for safe drinking water capitalization grants, available only upon authorization and only if such authorization occurs by June 1, 1996. If no such legislation becomes law prior to June 1, 1996, appropriated funds immediately become available for wastewater capitalization grants to the states and tribal governments.

$225,000,000 for safe drinking water capitalization grants, made available from funds provided in P.L. 103–327 and P.L. 103–124, subject to authorization prior to June 1, 1996. If no such authorization for safe drinking water capitalization grants occurs prior to this date, such funds are to be available for wastewater capitalization grants.

$100,000,000 for architectural, engineering, design and construction related activities for high priority water and wastewater facilities near the United States-Mexico border.

$50,000,000 for cost shared grants to the State of Texas (Colonias).

$15,000,000 for grants to Alaska, subject to cost share requirements, for rural and Alaska Native Villages.

$658,000,000 for state and tribal categorical grants through traditional grants procedures as well as through the performance partnership program. The conferees note this is virtually identical to the fiscal year 1995 level. The conferees agree that such funds are available in unspecified amounts for the following specific programs:

Non-point source pollution grants under section 319 of the Federal Water Pollution Control Act (FWPCA), including appropriate activities under the Clean Lakes program; water quality cooperative agreements under section 104(b)(3) of FWPCA; public water system supervision grants under section 1443(a) of the Public Health Service Act; air resource assistance to State, local and tribal governments under section 105 of the Clean Air Act; radon state grants; control agency resource supplementation under section 106 of FWPCA; wetlands program implementation; underground injection control; pesticide program implementation; lead grants; hazardous waste financial assistance; pesticides enforcement grants; pollution prevention; toxic substances enforcement grants; Indians general assistance grants; and, underground storage tanks. The conferees expect the agency to consult with the Committees on Appropriations and with the states prior to the determination and reporting of the amounts allocated for each of these areas.

The conferees agree that Performance Partnership Grants are an important step to reducing the burden and increasing the flexibility that state and tribal governments need to manage and implement their environmental protection programs. This is an opportunity to use limited resources in the most effective manner, yet at the same time, produce the results-oriented environmental performance necessary to address the most pressing concerns while still achieving a clean environment. As part of the implementation of this program, the conferees agree that no reprogramming requests associated with States and Tribes applying for Performance Partnership Grants need to be submitted to the Committees on Appropriations for approval should the reprogrammings exceed the normal reprogramming limitations.

From within the amount appropriated for wastewater capitalization grants, $50,000,000 is to be made available for wastewater grants to impoverished communities pursuant to section 102(d) of H.R. 961 as approved by the House of Representatives on May 16, 1995. The conferees expect the Agency to closely monitor state compliance with this provision to assure that funds are obligated appropriately and in a timely manner. Unused funds allocated for this purpose are to be made available for other wastewater capitalization grants.

$100,000,000 for the following special assistance grants in the following amounts:

$39,500,000 for special projects as requested in the budget submission, including $25,000,000 for Boston Harbor, $10,000,000 for the City of New Orleans, $3,000,000 for Fall River and $1,500,000 for New Bedford.

$5,000,000 for alternative water source projects in West Central Florida.

$1,750,000 for wastewater infrastructure improvements including $1,500,000 for Manns Choice, Bedford County, Pennsylvania, and $250,000 for Taylor Township, Blair County, Pennsylvania.

$11,625,000 for continuing clean water improvements at Onondaga Lake.

$11,625,000 for continuation of the Rouge River National Wet Weather project.

$22,000,000 for continuation of the Mojave Water Agency groundwater research project.

$2,500,000 for the refurbishment and construction of sanitary and storm sewer systems in Ogden, Utah.

$6,000,000 for wastewater facility improvements in the vicinities of Peter Creek ($3,000,000), East Bernstadt/Pittsburg ($2,500,000), and Vicco (500,000), Kentucky.

Amendment No. 81: Inserts a heading as proposed by the Senate and deletes language proposed by the Senate regarding the adoption or implementation of an inspection and maintenance program pursuant to section 182 of the Clean Air Act. The conferees note that this issue has recently been considered in a conference of authorization committees and therefore has become unnecessary to pursue in the context of this legislation.

Amendment No. 82: Deletes language proposed by the Senate regarding the limitation of funds available to impose or enforce trip reduction measures pursuant to the Clean Air Act. The conferees note that this issue recently has been considered in a conference of authorization committees and therefore has become unnecessary to pursue in the context of this legislation.

Amendment No. 83: Inserts language similar to that proposed by the Senate which prohibits the expenditure of funds for the signing or publishing for promulgation of a rule concerning new drinking water standards for radon only. The conferees note that this language is identical to that contained in this Act for each of the last two fiscal years.

Amendment No. 84: Inserts language proposed by the Senate which prohibits the expenditure of funds to sign, promulgate, implement, or enforce certain requirements regarding the regulation for a foreign refinery baseline for reformulated gasoline.

Amendment No. 85: Inserts language proposed by the Senate which prohibits the expenditure of funds to implement section 404(c) of the Federal Water Pollution Control Act, as amended, and which stipulates that no pending actions to implement section 404 (c) with respect to individual permits shall remain in effect after the date of enactment of this Act.

Amendment No. 86: Deletes language proposed by the Senate regarding an exemption of section 307(b) of the Federal Water Pollution Control Act, as amended, for the Kalamazoo Water Reclamation Plant. Similar language has been included under the environmental programs and management account in Amendment No. 66.

Amendment No. 87: Deletes language proposed by the Senate prohibiting the expenditure of funds to enforce section 211(m)(2) of the Clean Air Act in a nonattainment area in Alaska. Similar language is included in amendment number 88.

Amendment No. 88: Inserts language proposed by the Senate which prohibits the expenditure of funds to implement the requirements of section 186(b)(2), or sections 187(b) or 211(m) of the Clean Air Act for any moderate nonattainment area for which the average daily winter temperature is below 0 degrees Fahrenheit.

Amendment No. 89: Deletes language proposed by the Senate which directs EPA to give priority assistance to small business concerns under section 3(a) of the Small Business Act in its Energy Efficiency and Supply programs, study the feasibility of establishing fees to recover the costs of such assistance, and provide a certain level of funding to support participation in the Montreal Protocol and climate change action plan programs.

The conferees note that the budget for EPA's ''green programs'' has grown substantially over the past several years. Such growth cannot be sustained within the confines of an increasingly constrained budget. There is no disagreement that the green programs have enabled many companies to improve their profitability by installing energy efficient technologies. While it may be appropriate for the federal government to provide technical assistance to organizations which would not otherwise have the resources to make appropriate investment decisions on energy efficient technologies, such as small businesses, large corporations can and should make such investment decisions without federal assistance. The conferees agree that EPA is to undertake a study to determine the feasibility of establishing fees to recover all reasonable costs incurred by EPA for assistance rendered businesses in its Energy Efficiency and Energy Supply program, as described in the Senate amendment.

Amendment No. 90: Deletes language proposed by the Senate which would prohibit final regulatory action under the Toxic Substances Control Act restricting the manufacturing, processing, distributing or use of lead, zinc, or brass fishing sinkers or lures, unless the risk to waterfowl cannot be addressed through alternative means. The conferees are extremely concerned that EPA continues to ignore the importance of allocating its budget to those activities which provide for the greatest reduction in risk. EPA has pursued activities which may have exceeded the agency's legal authority in the regulation of lead by seeking to regulate lead uses that pose no significant risks to human health or the environment, such as EPA's proposal to ban the manufacture and distribution of lead fishing sinkers. The agency's proposal presented little credible evidence to suggest that lead fishing sinkers are threatening to human health or waterfowl populations. The conferees expect EPA to engage in activities which maximize the use of its resources to achieve public health and environmental benefits, and therefore believe EPA should not pursue this rulemaking.

Amendment No. 91: Deletes language proposed by the Senate which directs the investigation and report on the scientific basis for EPA's public recommendations with respect to indoor radon and other naturally occurring radioactive materials. The conferees direct EPA to enter into an arrangement with the National Academy of Sciences to investigate and report on the scientific basis for EPA's recommendations relative to indoor radon and other naturally occurring radioactive materials (NORM). The Academy is to examine EPA's guidelines in light of the recommendations of the National Council on Radiation Protection and Measurements and other peer-reviewed research by the National Cancer Institute, the Centers for Disease Control, and others. The Academy shall summarize the principal areas of agreement and disagreement among these bodies and shall evaluate the scientific and technical basis for any differences that exist. EPA is to submit this report to the appropriate committees of Congress within 18 months of the date of enactment of this Act, and state its views on the need to revise the guidelines for radon and NORM in light of the Academy's evaluation. The agency also shall explain the technical and policy basis for such views.

Amendment No. 92: Deletes language proposed by the Senate regarding implementation of the Science to Achieve Results (STAR) program and restricting the hire of new staff positions under the contractor conversion program. The STAR and contractor conversion issues have been addressed under amendment number 65.

Amendment No. 93: Inserts language which provides necessary expenses to continue the functions of the Council on Environmental Quality and Office of Environmental Quality as proposed by the Senate, instead of language proposed by the House and stricken by the Senate to carry out the orderly termination of the CEQ.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Amendment No. 94: Appropriates $222,000,000 for disaster relief instead of $235,500,000 as proposed by the House and no funds as proposed by the Senate. The conferees note that the 1995 supplemental appropriation for disaster relief, totaling over $6,500,000,000 coupled with available unobligated appropriations, should be more than adequate to meet all current and expected disaster requirements. Should an FY 1996 supplemental be necessary, the conferees would expect to respond and make such appropriations available in a timely manner.

The conferees note that with the passing of the 1995 hurricane seasons, there is confusion surrounding FEMA's determination of whether beach erosion under different conditions is eligible for assistance under the Stafford Act. While the Code of Federal Regulations certainly provides clear understanding of the rules by which FEMA operates, there nevertheless exists questions as to the legal underpinnings of this regulation. To help clarify the issue and avoid future controversy, the agency is directed to report within 45 days of enactment of this Act on the legal basis for this regulation and on the possible alternatives that exist to maximize mitigation and assistance efforts within the constraints of available financial resources.

The conferees have been made aware of an unfortunate situation following the Northridge Earthquake whereby, based on assurances made by FEMA field agents, significant financial resources were spent or obligated to make appropriate repairs of buildings deemed eligible for assistance. Over a year following those assurances, a determination that such expenses were not eligible was received form FEMA headquarters, including a request for reimbursement of spent funds. As FEMA fully acknowledges that their erroneous assurance of assistance is the genesis of this problem, the conferees direct FEMA to make every effort to remedy this situation through appropriate administrative procedures.

Amendment No. 95: Appropriates $168,900,000 for salaries and expenses as proposed by the Senate instead of $162,000,000 as proposed by the House.

Amendment No. 96: Appropriates $4,673,000 for the Office of the Inspector General as proposed by the Senate instead of $4,400,000 as proposed by the House.

Amendment No. 97: Deletes reference to the Federal Civil Defense Act, as amended, with respect to activities under the emergency management planning and assistance account. This is a technical deletion as activities under this Act have been superseded by other Acts. The conferees have included language under amendment number 114 requested by FEMA in a budget amendment that would direct FEMA to sell its costly inventory of trailer/mobile homes which in the past have been used to meet temporary housing needs of some disaster victims. The costs of transporting these trailers to a disaster site, as well as the costs of necessary refurbishment upon return to inventory, far exceed the benefits provided by the trailers. More important, FEMA believes the important needs of emergency housing can be met in less expensive yet more appropriate ways. In making these sales, FEMA is directed to maximize receipts and minimize expenses to the greatest extent possible.

Within the overall appropriation, the conferees have included $950,000 for earthquake hazard research and mitigation activities at Metro and DOGAMI; $1,000,000 for a statewide and regional hurricane proof evacuation shelter directory for the states of Texas, Louisiana, Mississippi, Alabama, Florida, Arkansas, and Georgia; and $4,000,000 in additional funds for state emergency management assistance (EMA) grants. FEMA is expected to reduce its underground storage tank program to offset these additional EMA grants. The remaining funds necessary to meet these additional expenses should be proposed through normal reprogramming procedures.

The conferees note that FEMA has funded certain planning positions in State emergency management agencies at 100 percent during fiscal year 1995. The conferees direct the agency to continue funding these positions at this same level during 1996, but also expect the agency to make appropriate plans during the fiscal year, including notifying the States if necessary, to reduce the federal share to no more than 50 percent for fiscal year 1997 and beyond.

Amendment No. 98: Appropriates $100,000,000 for emergency food and shelter as proposed by the House instead of $114,173,000 as proposed by the Senate.

Amendment No. 99: Deletes language proposed by the House and stricken by the Senate which prohibits the expenditure of funds for any further work on effective Flood Insurance Rate Maps for certain areas in and around the City of Stockton and San Joaquin County, California. The conferees are aware that the City of Stockton and San Joaquin County, California are restoring existing levee systems that a FEMA flood hazard restudy has determined no longer meet FEMA's minimum flood protection standard. The conferees are also aware that the City and County have recently filed an appeal regarding the determination by that study and were thus satisfied that, just as with bill language, the duration of the appeal would provide the opportunity to fully and properly deal with this important matter. The conferees therefore direct FEMA to thoroughly analyze the appeal and develop alternatives that will lead to a resolution of this situation prior to the conclusion of the appeal process.

The Members of Congress, local officials, and private citizens who have addressed this issue all wish to achieve a result that will not hinder the economic development of the area while, at the same time, ensuring the safety and health of all residents. The conferees share this goal. The National Flood Insurance Program (NFIP), a community-participation program, has a history of cooperation with local governments that spans more than two decades. During this time, a great deal of development has taken place in mapped areas in thousands of communities across the country. Therefore, to assist the City and County in guiding new development, the conferees direct FEMA to first assist by approximating the study flood hazard areas identified on the preliminary Flood Insurance Rate Maps (FIRM's) based on FEMA's restudy. FEMA also is directed to consult with the City and County to ensure that the design and construction for the restored levees will satisfy the criteria for accrediting those structures on FIRMs that will become effective six months after all appeals are fully resolved. Further, the conferees direct FEMA to revise the FIRMs at the earliest date possible to reflect accredited improvements to the levee systems as they are completed.

The conferees note that no funds have been included to produce Flood Rate Insurance Directories (FRIDs) or to sell flood insurance directly to the public. While the conferees support FEMA's effort to increase the use of federal flood insurance, such sales should continue through normal private commercial activity. The conferees are also in agreement that FEMA should make no effort to suspend, revoke, or limit the participation of St. Charles County, Missouri in the National Flood Insurance program because of the permitting of levee improvements to publicly sponsored levee districts.

Finally, the conferees agree the FEMA should conduct a pilot project of a working capital fund during fiscal year 1996, and report on the outcome of the pilot periodically throughout the course of the fiscal year.

### General Services Administration

#### CONSUMER INFORMATION CENTER

Amendment No. 100: Provides for a change in the administrative expenses limitation to $2,602,000 as proposed by the Senate instead of $2,502,000 as proposed by the House.

The conferees agree to an increase in the administrative expenses limitation for the Consumer Information Center to reflect the increased responsibilities of the Center as it takes on efforts previously assigned to the Office of Consumer Affairs.

### Department of Health and Human Services

#### OFFICE OF CONSUMER AFFAIRS

Amendment No. 101: Appropriates no funding for the Office of Consumer Affairs, as proposed by the Senate instead of $1,811,000 as proposed by the House.

The conferees agree to the Senate position to delete all funding for the Office of Consumer Affairs. The conferees agree that the functions of producing the Consumer Resources Handbook and organizing the Constituent Resource Exposition are to be transferred to the Consumer Information Center. Language is included in the bill to facilitate the transfer of personnel and responsibilities associated with closure of this office.

### National Aeronautics and Space Administration

#### HUMAN SPACE FLIGHT

Amendment No. 102: Appropriates $5,456,600,000 for Human Space Flight, instead of $5,449,600,000 as proposed by the House and $5,337,600,000 as proposed by the Senate.

The conference agreement reflects the following change from the budget request:

A reduction of $53,000,000 to reflect savings which accrue from the closure of the Yellow Creek Facility at Iuka, Mississippi.

The conferees believe that savings are achievable in shuttle operations when the recommendations called for in the Kraft report on shuttle operations are implemented. The conferees are encouraged that NASA has begun to aggressively implement the recommendations and look forward to seeing the financial savings materialize while maintaining safe shuttle operations.

#### NASA INDUSTRIAL PLANT, DOWNEY

The conferees are aware of ongoing discussions between NASA, Rockwell International, and officials of the City of Downey, California, regarding possible disposition of NASA real property at the NASA Industrial Plant, Downey. The conferees understand that this planning effort could culminate in a proposal for disposition of NASA real property at the Downey site which may: consolidate Space Shuttle engineering activities, thereby reducing annual Government operations costs; possibly produce proceeds to the U.S. Treasury from transfer of portions of the NASA real property; and make available portions of the real property for commercial/industrial use. The conferees direct that NASA report to the Committees on Appropriations on progress in this disposition planning effort, including any potential economic benefits to the Government, by February 1, 1996.

#### TERMINATION LIABILITY

The conferees fully support deployment of the space station but recognize the funds appropriated by this Act for the development of the 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 conferees 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.

Amendment No. 103: Deletes House language delaying the availability of $390,000,000 for Space Station until August 1, 1996.

#### SCIENCE, AERONAUTICS AND TECHNOLOGY

Amendment No. 104: Appropriates $5,845,900,000 for Science, Aeronautics and Technology, instead of $5,588,000,000 as proposed by the House and $5,960,700,000 as proposed by the Senate.

The conference agreement reflects the following changes from the budget request:

A general reduction of $33,000,000 to be distributed in accordance with normal reprogramming procedures.

A reduction of $13,700,000 from the budget request for the Stratospheric Observatory for Infrared Astronomy (SOFIA). The reduction will leave $35,000,000 in fiscal year 1996 to begin this program to replace the Kuiper Airborne Observatory.

An increase of $51,500,000 for the Gravity Probe-B program which was not included in the budget request.

A decrease of $5,000,000 for the Space Infrared Telescope Facility, leaving $10,000,000 to begin this effort. NASA is directed to provide no additional funding for this effort unless specifically approved by the House and Senate Committees on Appropriations.

The conferees agree to provide $20,000,000 for initiation of the Solar-Terrestrial Probes program. The funding includes $15,000,000 to begin the TIMED mission and $5,000,000 for design studies of the inner magnetospheric imager.

The conference agreement includes an additional $3,000,000 for the university explorer

program to develop small, inexpensive spacecraft for astronomy and space physics missions.

A general reduction of $20,000,000 for Life and Microgravity Science. The reduction is not to be taken against any space station programs. NASA should develop a plan that accommodates the budget decrease while minimizing its impact on the early scientific return from space station operations. This plan should emphasize how NASA will ensure the quality of the science it will conduct and maximize the value of the results it obtains from the early utilization of space station.

An increase of $4,500,000 is provided for space radiation research in accordance with direction contained in House report 104–201.

Within Mission to Planet Earth, the conference agreement contains a reduction of $6,000,000 for the Consortium for International Earth Sciences Information Network. The conferees agree that the Consortium and NASA are free to pursue programmatic options under existing contracts between CIESIN and NASA and the Consortium is not precluded from competing for future contracts with NASA. A further reduction of $75,000,000 is to be distributed in accordance with normal reprogramming guidelines. The conferees are in agreement on the following:

NASA should work with the Department of Agriculture to ensure that remote sensing data collected through this program will be better used for agriculture and resource management;

From within the funds for Mission to Planet Earth, NASA is urged to provide for continued development and refinement of visualization techniques and capabilities currently underway through the Jet Propulsion Laboratory to incorporate remotely sensed data and information into formal informational and educational programs;

From within the available funding, $5,000,000 should be used toward full development of a windsat mission;

Any restructuring of the Earth Observing System Data Information System which may result from the recently issued National Academy of Sciences report should be implemented in such a manner as to minimize counterproductive disruptions at the Marshall Space Flight Center.

A general reduction of $30,000,000 to the Aeronautical Research and Technology portion of the budget to be distributed in accordance with normal reprogramming guidelines. The conferees note that NASA and the FAA have recently established a mechanism to coordinate their efforts toward an advanced air traffic management system. While the House reduced the budget request by $20,000,000 because such an agreement had not yet been reached, the conferees believe some reduction in funding is still achievable and the program is not exempt from the general reduction. Likewise, the conferees do not intend that the entire reduction be applied against the High Performance Computing and Communications (HPCC) program, nor is the program exempt from reduction. The conferees recognize the national interest served by providing the public access to earth and space images and data through a national information infrastructure and strongly support funding to carry out such NASA educational and public outreach activities funded in the HPCC account.

Within the Space Access and Technology portion of the account, a reduction of $7,000,000 from the Clean Car program, a reduction of $21,300,000 for the Earth Applications systems to return the program to the fiscal year 1995 funding level, an increase of $3,000,000 for commercial space activities to be used only as provided for in authorizing legislation, an increase of $4,500,000 for a rural state technology transfer center as provided for in authorizing legislation. The conference agreement deletes without prejudice the increase of $20,000,000 proposed by the Senate for development of the reusable launch vehicle (X–33). Nonetheless, the conferees have significant concerns over the current funding profile for this ambitious developmental effort in that amounts proposed for the initial years may not be adequate to resolve technical design and engineering issues necessary to support scheduled investment decisions by private industry. The conferees are very supportive of this innovative public-private partnership in developing a more efficient and commercially viable launch system and direct NASA to conduct a re-examination of the current funding profile, including amounts recommended for the remainder of fiscal year 1996. The conferees expect NASA to submit its findings and recommendations in this regard in a report to accompany its justifications for the fiscal year 1997 budget, and to request a reprogramming, if necessary, to optimize initial developmental efforts during the balance of the current year.

A general reduction of $20,000,000 for the mission communications program, to be distributed in accordance with established reprogramming procedures.

A general reduction of $16,500,000 for Academic Programs, leaving funding at the fiscal year 1995 level. The conferees urge NASA to consider funding the Discovery Center project and the Rural Teacher Resource Center. These projects are aimed at significantly enhancing science, educational, and outreach services for an underserved region of the county. The Oregon State System for Higher Education is developing a network infrastructure for advanced technology research and education utilizing high speed and high capacity communications systems with a prior year grant of funds from NASA under its academic programs activity. The conferees understand that this project has received substantial industry contributions, however, some additional federal support may be necessary to facilitate the acquisition of equipment and for space modifications. NASA is urged to give priority consideration to assisting in the prompt completion of this important initiative.

MISSION SUPPORT

Amendment No. 105: Appropriates $2,502,200,000 for Mission Support, instead of $2,618,200,000 as proposed by the House and $2,484,200,000 as proposed by the Senate.

The conference agreement reflects the following changes from the budget request:

A decrease of $125,000,000 in salaries and related expenses resulting from the voluntary retirement of individuals during fiscal year 1995 which had not been anticipated when the fiscal year 1996 budget was submitted.

A general reduction of $25,000,000 from research and operations support, subject to reprogramming guidelines.

A reduction of $50,000,000 from space communications, to be applied at the agency's discretion to reprogramming guidelines.

A reduction of $24,000,000 from construction of facilities. The conferees agree that NASA may use excess fiscal year 1994 funding, particularly identified excess planning and design funds, to satisfy fiscal year 1996 requirements.

Amendment No. 106: Deletes House administrative provision regarding leasing of contractor funded facilities where such lease would amortize the contractor investment unless specifically approved in appropriations Act.

Amendment No. 107: Adds Senate language to the House administrative provision regarding transfer of facilities at Iuka, Mississippi. The new language will direct that any Federal entity having previous contact with the site will have responsibility for environmental remediation.

Amendment No. 108: Deletes House administrative provision directing a study of closing or re-structuring NASA flight operations and research centers. The conferees agree to the Senate report language requesting periodic progress reports on the implementation of recommendations contained in the NASA zero-based review.

Amendment No. 109: Deletes Senate administrative provision delaying the availability of $390,000,000 for Space Station until August 1, 1996. Adds an administrative provision providing up to $50,000,000 of transfer authority for use at the discretion of the Administrator.

The conferees have agreed to include an administrative provision providing transfer authority to the National Aeronautics and Space Administration to deal with unforeseen emergencies. To ensure that there is no adverse effect on any NASA program, the conferees have included general transfer authority of up to $50,000,000 to be used at the discretion of the Administrator subject to the case-by-case approval by the House and Senate Appropriations Committees.

NATIONAL SCIENCE FOUNDATION

Amendment No. 110: Appropriates $2,274,000,000 for Research and Related Activities, instead of $2,254,000,000 as proposed by the House and $2,294,000,000 as proposed by the Senate.

The conferees agree that the reduction within the Research and Related Activities account should be allocated by the National Science Foundation in accordance with its internal procedures for resource allocation, subject to approval by the House and Senate Committees on Appropriations.

U.S. ANTARCTIC PROGRAM

The conferees agree with the Senate report language calling for a government-wide policy review of the U.S. presence in the Antarctic to be conducted by the National Science and Technology Council and reiterate that such a review must include all program participants, including the Department of Defense. The review should be completed and submitted to the Congress no later than March 31, 1996.

OPTICAL AND INFRARED ASTRONOMY

The conferees recognize the need for the National Science Foundation to support modernizing the research infrastructure in astronomy and other disciplines. The conferees are equally supportive of the flexible matching requirements employed by the Foundation in its Academic Research Infrastructure program and expect they will be continued in fiscal year 1996.

Amendment No. 111: Deletes language proposed by the Senate to fund fair housing activities under the Department of Justice. Language transferring such functions, with delayed implementation of April 1, 1997 is included under fair housing activities under title II of this Act.

Amendment No. 112: The Senate bill contained a provision moving the Office of Federal Housing Enterprise Oversight (OFHEO), which is the financial safety and soundness regulator of Fannie Mae and Freddie Mac (collectively, ''GSEs''), from the Department of Housing and Urban Development of the Department of the Treasury. The conference agreement does not contain this provision. Nevertheless, the conferees want to emphasize the seriousness with which they view the underlying Senate provision.

In particular, the primary function of OFHEO is to issue risk-based capital standards to ensure the safety and soundness of

the GSEs, and that these standards, as yet unissued, were to be finalized by November 28, 1994. The conferees urge OFHEO to refocus its emphasis from lower priority activities, such as participation in conferences and political forums, to financial examinations and the development of final risk-based capital standards.

TITLE V—GENERAL PROVISIONS

Amendment No. 113: Makes technical language change.

Amendment No. 114: Deletes language proposed by the House and stricken by the Senate regarding contractor conversions at the Environmental Protection Agency. Additional language relative to this matter is included in amendment numbered 65.

Inserts language directing FEMA to sell surplus mobile homes/trailers from its inventory. Additional information on this matter is discussed under amendment numbered 97.

Amendment No. 115: Inserts language proposed by the Senate which allows the use of other funds available to the Department of Health and Human Services to facilitate termination of the Office of Consumer Affairs. This matter is also mentioned in amendment numbered 101.

Amendment No. 116: Deletes language proposed by the Senate regarding energy savings at Federal facilities.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1996 recommended by the Committee of Conference, with comparisons to the fiscal year 1995 amount, the 1996 budget estimates, and the House and Senate bills for 1996 follow:

| | |
|---|---|
| New budget (obligational) authority, fiscal year 1995 | $89,920,161,061 |
| Budget estimates of new (obligational) authority, fiscal year 1996 | 89,869,762,093 |
| House bill, fiscal year 1996 | 79,697,360,000 |
| Senate bill, fiscal year 1996 | 81,009,212,000 |
| Conference agreement, fiscal year 1996 | 80,606,927,000 |
| Conference agreement compared with: | |
| New budget (obligational) authority, fiscal year 1995 | −9,313,234,061 |
| Budget estimates of new (obligational) authority, fiscal year 1996 | −9,262,835,093 |
| House bill, fiscal year 1996 | +909,567,000 |
| Senate bill, fiscal year 1996 | −402,285,000 |

JERRY LEWIS,
TOM DELAY,
BARBARA F. VUCANOVICH,
JAMES T. WALSH,
DAVE HOBSON,
JOE KNOLLENBERG,
RODNEY P. FRELINGHUYSEN,
MARK W. NEUMANN,
BOB LIVINGSTON,
*Managers on the Part of the House.*

CHRISTOPHER S. BOND,
CONRAD BURNS,
TED STEVENS,
RICHARD SHELBY,
ROBERT F. BENNETT,
BEN NIGHTHORSE CAMPBELL,
MARK O. HATFIELD,
BARBARA A. MIKULSKI,
PATRICK LEAHY,
J. BENNETT JOHNSTON,
BOB KERREY,
ROBERT C. BYRD,
*Managers on the Part of the Senate.*

## ANNOUNCEMENT OF INTENTION TO OFFER MOTION TO INSTRUCT ON H.R. 4, PERSONAL RESPONSIBILITY ACT OF 1995

Mr. MILLER of California. Mr. Speaker, pursuant to clause (c) of rule XXVIII, I rise to announce my intention to offer a motion to instruct House conferees on H.R. 4, the Personal Responsibility Act of 1995. The form of my motion is as follows:

Mr. MILLER of California moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendments to the bill H.R. 4 be instructed, that in resolving differences between the two Houses with respect to subtitle b of title III of the House bill (relating to family and school-based nutrition block grants) and title IV of the Senate amendment (relating to child nutrition programs), the managers should concur in the Senate amendment insofar as such amendment does not contain any block grants relating to the school lunch program under the National School Lunch Act and does not contain any block grants relating to any family nutrition program under the Child Nutrition Act of 1966 or the National School Lunch Act.

## SEVEN-YEAR BALANCED BUDGET RECONCILIATION ACT OF 1995—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104–141)

The SPEAKER pro tempore (Mr. ENSIGN) laid before the House the following veto message from the President of the United States:

*To the House of Representatives:*

I am returning herewith without my approval H.R. 2491, the budget reconciliation bill adopted by the Republican majority, which seeks to make extreme cuts and other unacceptable changes in Medicare and Medicaid, and to raise taxes on millions of working Americans.

As I have repeatedly stressed, I want to find common ground with the Congress on a balanced budget plan that will best serve the American people. But, I have profound differences with the extreme approach that the Republican majority has adopted. It would hurt average Americans and help special interests.

My balanced budget plan reflects the values that Americans share—work and family, opportunity and responsibility. It would protect Medicare and retain Medicaid's guarantee of coverage; invest in education and training and other priorities; protect public health and the environment; and provide for a targeted tax cut to help middle-income Americans raise their children, save for the future, and pay for postsecondary education. To reach balance, my plan would eliminate wasteful spending, streamline programs, and end unneeded subsidies; take the first, serious steps toward health care reform; and reform welfare to reward work.

By contrast, H.R. 2491 would cut deeply into Medicare, Medicaid, student loans, and nutrition programs; hurt the environment; raise taxes on millions of working men and women and their families by slashing the Earned Income Tax Credit (EITC); and provide a huge tax cut whose benefits would flow disproportionately to those who are already the most well-off.

Moreover, this bill creates new fiscal pressures. Revenue losses from the tax cuts grow rapidly after 2002, with costs exploding for provisions that primarily benefit upper-income taxpayers. Taken together, the revenue losses for the 3 years after 2002 for the individual retirement account (IRA), capital gains, and estate tax provisions exceed the losses for the preceding 6 years.

Title VIII would cut Medicare by $270 billion over 7 years—by far the largest cut in Medicare's 30-year history. While we need to slow the rate of growth in Medicare spending, I believe Medicare must keep pace with anticipated increases in the costs of medical services and the growing number of elderly Americans. This bill would fall woefully short and would hurt beneficiaries, over half of whom are women. In addition, the bill introduces untested, and highly questionable, Medicare ''choices'' that could increase risks and costs for the most vulnerable beneficiaries.

Title VII would cut Federal Medicaid payments to States by $163 billion over 7 years and convert the program into a block grant, eliminating guaranteed coverage to millions of Americans and putting States at risk during economic downturns. States would face untenable choices: cutting benefits, dropping coverage for millions of beneficiaries, or reducing provider payments to a level that would undermine quality service to children, people with disabilities, the elderly, pregnant women, and others who depend on Medicaid. I am also concerned that the bill has inadequate quality and income protections for nursing home residents, the developmentally disabled, and their families; and that it would eliminate a program that guarantees immunizations to many children.

Title IV would virtually eliminate the Direct Student Loan Program, reversing its significant progress and ending the participation of over 1,300 schools and hundreds of thousands of students. These actions would hurt middle- and low-income families, make student loan programs less efficient, perpetuate unnecessary red tape, and deny students and schools the free-market choice of guaranteed or direct loans.

Title V would open the Arctic National Wildlife Refuge (ANWR) to oil and gas drilling, threatening a unique, pristine ecosystem, in hopes of generating $1.3 billion in Federal revenues—a revenue estimate based on wishful thinking and outdated analysis. I want to protect this biologically rich wilderness permanently. I am also concerned that the Congress has chosen to use the reconciliation bill as a catch-all for