RECREATION FEES

AGRICULTURE/INTERIOR/CORPS OF ENGINEERS: Recreation Fees (Entitlement Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Corps of Engineers......	-18	-18	-18	-18	-18	-72	-90
Interior................	-29	-34	-39	-45	-50	-147	-197
Agriculture.............	-11	-12	-13	-15	-15	-51	-66

Collections in 1993 are estimated to total $135 million. This proposal expands Federal agency authorities to charge new recreation fees and increase existing fees for Federal facilities providing public recreation. The receipts would (subject to appropriations) be used to offset operations and maintenance costs of facilities at recreation areas. With the exception of the National Park Service, no new fees or increases in existing fees will exceed $3 per site or activity.

Within the Department of the Interior, the National Park Service, Bureau of Land Management, and Fish and Wildlife Service propose new fees or increases in existing fees. The National Park Service proposes to expand the number of national parks authorized to charge $10 per vehicle or $5 per person; establish a surcharge on oversize vehicles requiring special accommodations; increase the number of parks with entrance fees; and amend laws that preclude entrance fees at certain park units. BLM will increase the number of facilities at which it collects fees and increase the current special-use permit charges and sell more permits. Fish and Wildlife Service will increase its entrance fees from a current average of $3 to an average of $5 per vehicle.

Within the Department of Agriculture, the Forest Service proposes to add entrance fees for specific recreation areas, along with additional user fees for activities such as boat launching and picnic sites. Fees will generally range from $1 to $9 per daily use by a person or family of a camp site or boat ramp.

The Corps of Engineers proposes to increase fees for day use facilities, such as swimming beaches, picnic sites and boat launching areas, along with eliminating the currently required free camping area. Fees will generally range from $1 to $6 per daily use by a person or family of a camp site or boat ramp.

By comparison, the entrance fee alone for one day's visit to Disney World for a family of four (2 adults, 2 children) is $109.

SUMMARY BUDGET DESCRIPTION: RURAL DEVELOPMENT INITIATIVE

The Nation's rural economy is now more closely tied with national and global economies, making it more sensitive to changes in business cycles and global competition. Rural infrastructure must be improved to meet and adjust to these changes. Moreover, family farmers have made a unique contribution to this Nation's growth, feeding our people and caring for our land. Our Nation's farm policies, however, have too often ignored the independent farmer and rural America and instead favored agribusiness.

This rural development initiative would boost investment in rural areas for small, emerging businesses ("micro-enterprises"); beginning farmers; rural hospitals and other community facilities; rural water and wastewater construction; and rural housing. Estimated outlays: FY 1994-1997 -- $1,486 million; FY 1997 -- $630 million.

These funds, along with over $2 billion in other FY 1994 - 1998 investments in the **Forest Service** and **USDA agricultural research**, would help rural America adjust to the challenges of competing in the global economy. The rural development initiative would also target funds to the proposed **rural enterprise zones**, which are part of the President's total economic proposal. Additionally, to coordinate and facilitate the rural development initiative with other investment proposals, RDA's existing **State Rural Development Councils**, whose members include representatives from Federal, State and local government agencies and the private sector, would review and act as active participants in the initiative.

An additional **rural health initiative** through the Department of Health and Human services would support rural hospitals. Estimated outlays: FY 1994-1997 -- $130 million.

Also, **beginning farmers** would be supported for USDA Farmers Home Administration (FmHA) farm ownership and operating purposes in FY 1994 with nearly $900 million in FmHA direct loans, and $2.2 billion in guaranteed loans, $238 million of which are assisted by an interest rate buy-down of up to four percent.

RURAL DEVELOPMENT: STIMULUS

(changes over baseline)

	1993 Budget authority	1993 Loan Level
	(dollars in millions)	
USDA PROPOSALS		
Increase Rural Development Administration water and wastewater loan authority by $470 million ($67 million credit subsidy BA)	67	470
Increase Rural Development Administration water and wastewater grant authority by $281 million	281	
Increase Farmers Home Administration single-family guaranteed loans by $235 million ($5 million BA)	5	235
Forest Service enhanced nat'l resource protection and environmental infrastructure	188	
Add 160 meat and poultry inspectors	4	
Increase Farmers Home Administration very-low income home repair grants by $6 million.	6	
Increase Farmers Home Administration very-low income home repair loans by $3 million ($1 million in BA).	1	3
Increase the Soil and Water Conservation Service watershed and flood prevention program by $47 million.	47	
Increase Agricultural Research Service facility maintenance by $38 million.	38	
Burea of Indian Affairs (BIA): Increase economic development loans on Indian reservations by $48 million ($6 million BA)	6	48
BIA: Increase road maintenance & facility repair	33	
Subtotal, Stimulus	676	756

RURAL DEVELOPMENT: INVESTMENT

(changes over baseline)

	1994 Budget authority	1994 Loan Level
	(dollars in millions)	
USDA PROPOSALS		
Increase Rural Development Administration water and wastewater grants by $120 million in FY 94, $200 million in 1995-98	120	
Increase Rural Development Administration water and wastewater loans by $180 million in FY 94 ($25 million in credit subsidy BA), $300 million in 1995-98	25	180
Business and community Inititiative:		
Increase Rural Dev. Admin. (RDA) guaranteed business and industry loans by $300 million in FY 1994 ($3 million BA), $500 million FY 1995-98	3	300
Increase RDA community facility direct loans by $300 million in FY 1994 ($29 million BA), $500 million FY 1995-98	29	300
Increase RDA rural development grants by $30 million in FY 1994, $50 million FY 1995-98 target to small, emerging businesses (microenterprises)	30	
Increase RDA intermediary relending for microenterprises program by $150 million in FY 1994 ($84 million BA), $250 million FY 1995-98	84	150
Increase Farmers Home Administration (FmHA) single-family direct loans by $300 million in FY 1994 ($62 million BA), $500 million in FY 1995-98	62	300
Increase FmHA single family guarantees by $300 million in FY 1994 ($5 million BA), $500 million FY 1995-1998	5	300
Increase FmHA rental housing vouchers by $75 million in FY 1994, $125 million FY 1995-98	75	
Increase other FmHA rental assistance by $75 million in FY 1994, $125 million in FY 1995-98	75	
Increase FmHA very low-income repair loans by $30 million in FY 1994 ($12 million BA), $50 million FY 1995-98	12	30
Increase FmHA very low-income repair grants by $18 million in FY 1994, $30 million in FY 1995-98	18	
Subtotal, Business and community initiative	393	1,380
Total, Investment	538	1,560
Other Investments		
Rural Health Care Initiative (HHS)	50	
Twenty Rural and Indian Enterprise Zones (Treasury)	NA	

TAX INCENTIVES

TREASURY: Tax Incentives (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Alternative minimum tax exception for gifts of appreciated tangible property (Outlays)....	70	73	75	77	79	295	374
Capital gains exclusion on original issue, small business stock (Outlays)	12	93	155	207	247	467	714
Earned income tax credit (EITC) (Outlays)......	525	6,228	6,445	6,662	6,927	19,860	26,787
Employer provided education assistance (Outlays)............	425	458	492	528	565	1,903	2,468
Health insurance deduction for self-employed (Outlays)............	313	---	---	---	---	313	313
High speed rail bonds (Outlays)............	---	1	4	11	20	16	36
Low-income housing tax credit (Outlays)......	214	478	791	1,114	1,442	2,597	4,039
Mortgage Revenue Bonds (Outlays)............	104	145	160	172	174	581	755
R&E tax credit (Outlays)	1,207	1,503	1,750	1,977	2,200	6,437	8,637
Real estate investment (Outlays)............	254	387	164	17	-158	822	664
Small issue manufacturing bonds (Outlays).......	14	28	35	37	114	151	
Targeted jobs tax credit (Outlays)............	170	327	406	496	605	1,399	2,004
Railroad retirement fund transfer (Outlays).....	---	---	---	---	---	---	---

-- The earned income tax credit provides refundable tax credits to low-income working families with children. The credit would be adjusted so that more working families would be brought out of poverty.

-- Mortgage Revenue Bonds reduce interest rates on mortgages to low- and moderate-income, first-time home buyers. It financed the acquisition of 120,000 homes in 1991.

-- Extending Mortgage Revenue Bonds (MRBs) will create 37,000 jobs in 1993 and 63,000 each year thereafter, according to the National Association of Homebuilders.

TECHNOLOGY

COMMERCE (NIST): Networking and Computer Applications (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
Budget authority........	14	---	---	---	---	---
Outlays.................	11	3	---	---	---	---

This proposal would initiate a program to develop applications that use advanced computers and communication networks to solve problems in health care, education, manufacturing, and access to library information. For example, under a pilot test in Boston, a physician could transmit images (X-rays, CAT scans, photos) quickly to a specialist across town for immediate consultation. This program would be part of the multi-agency High Performance Computing and Communications program and would be coordinated by the Office of Science and Technology Policy's Federal Coordinating Council for Science, Engineering, and Technology (FCCSET).

HHS: National Institutes of Health (High Performance Computing and Communications) (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
Budget authority........	9	---	---	---	---	---
Outlays.................	6	3	---	---	---	---

Funds are included to develop applications of advanced computer and networking technology for health care. Based on a bill introduced in 1992 by Vice President Gore, this investment would expand the multi-agency High Performance Computing and Communications initiative. At NIH, the specific applications would include networks to link hospitals, doctor's offices, and universities so health care providers and researchers can share medical data and imagery, such as CAT scans and X-rays. NIH would also develop new software for manipulating medical imagery and data.

MULTI-AGENCY: Federal Coordinating Council for Science, Engineering, and Technology -- Research Initiatives (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	184	369	432	496	561	1,481	2,042
Outlays.................	100	266	383	457	514	1,206	1,720

-- FY 1993 - $11.8 billion for six major research initiatives.

-- Provides an effective and coordinated mechanism to conduct nationally important research that is focused on some of the most pressing social issues (i.e., environment and education) and potentially rewarding technical areas (i.e., computing, materials, manufacturing, biotechnology). The outcome of all of these areas can contribute to the nation's economic growth.

-- The FCCSET process exists and can be continued with little change.

MULTI-AGENCY: Government Automation and Efficiency (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Modernize IRS computer system							
Budget authority.......	98	569	724	731	454	2,122	2,576
Outlays................	58	404	602	696	489	1,760	2,249

-- FY 1993 - $565 million.

-- Tax System Modernization (TSM) is an ongoing, $8 billion, decade-long (FY 1990 - FY 2001) effort to modernize the IRS tax collection operations. Over the long term, TSM will enable the IRS to move from an antiquated and disjointed computer system to an up-to-date, automated approach to processing taxes. It will improve service to tax payers, reduce burden placed on the public, support improved compliance efforts, and lower operations and maintenance costs.

-- Treasury/IRS estimate the additional funding will support an average of 5,200 jobs per year.

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Modernize Social Security Administration computer system							
Administrative limitation...........	45	75	75	75	75	270	345
Budget authority......	100	170	170	170	170	610	780
Outlays...............	145	245	245	245	245	880	1,125

-- To meet current and future workloads, the Social Security Administration (SSA) and State Disability Determination Services (DDS's) must move from their labor-intensive, paper-driven processes to one of automation. The proposal would invest in the pilot-tested Intelligent Workstations and Local Area Networks (ISW/LAN), creating a standard, state-of-the-art computing network for all of SSA and DDS's. The investment funding includes modular workstations, and design/site preparation/installation.

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
OMB computer initiative							
Budget authority......	1	3	3	2	1	9	10
Outlays...............	1	3	3	2	1	9	10

-- Funds OMB's enhanced computer systems. These initiatives are a logical extension of the FY 1990 to FY 1994 plan. In total, they will provide the capabilities required to respond to expected workload requirements.

MULTI-AGENCY: High Performance Computing (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
(NSF, NIH, NASA, NIST)							
Budget authority......	96	230	300	370	370	996	1,366
Outlays...............	53	158	253	320	362	784	1,146

-- FY 1993 - $0 - New multi-agency program.

-- Would build onto an existing program whose aim is to spur gains in U.S. competitiveness by making high performance computing and networking technologies an integral part of the work place.

-- Would demonstrate applications such as health care, education, and industrial manufacturing that are strongly supported by the computer industry.

-- Could create about 4,500 jobs by FY 1998.

NASA: High Performance Computing and Communications (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	5	---	---	---	---	---
Outlays...............	3	2	---	---	---	---

This stimulus proposal would initiate a program to develop applications that use advanced computers and communication networks to solve problems in health care, education, manufacturing, and access to library information. For example, under a pilot test in Boston, a physician could transmit images (X-rays, CAT scans, photos) quickly to a specialist across town for immediate consultation. This program would be part of the multi-agency High Performance Computing and Communications program and would be coordinated by the

Office of Science and Technology Policy's Federal Coordinating Council for Science, Engineering, and Technology (FCCSET).

NATIONAL SCIENCE FOUNDATION: High Performance Computing and Communications (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	19	---	---	---	---	---
Outlays...............	8	8	3	---	---	---

This stimulus proposal would initiate a program to develop applications that use advanced computers and communication networks to solve problems in health care, education, manufacturing, and access to library information. For example, under a pilot test in Boston, a physician could transmit images (X-rays, CAT scans, photos) quickly to a specialist across town for immediate consultation. This program would be part of the multi-agency High Performance Computing and Communications program and would be coordinated by the Office of Science and Technology Policy's Federal Coordinating Council for Science, Engineering, and Technology (FCCSET).

RESEARCH AND DEVELOPMENT: University R&D Overhead Rates (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-363	-372	-382	-392	-401	-1,509	-1,910
Outlays................	-156	-330	-369	-383	-396	-1,238	-1,634

Consistent with the Administration's actions to streamline overhead in Federal departments and agencies, and with a proposal in *Putting People First*, the budgets for civilian R&D grant-making agencies have been adjusted to reflect an upper limit on administrative and facilities-related overhead charges.

TERMINATION OF COMMISSIONS

TERMINATION OF COMMISSIONS (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Competitiveness Policy Council:							
Budget authority....	*	*	*	*	*	*	*
Outlays............	*	*	*	*	*	*	*
Nat'l Advisory Council on Public Service:							
Budget authority....	-1	-1	-1	-1	-1	-4	-5
Outlays............	-1	-1	-1	-1	-1	-4	-5
Nat'l Comm. on Cost of Higher Education:							
Budget authority....	-1	-1	-1	-1	-1	-4	-5
Outlays............	-1	-1	-1	-1	-1	-4	-5
Nat'l Comm. on Independent Higher Education:							
Budget authority....	-1	-1	-1	-1	-1	-4	-5
Outlays............	-1	-1	-1	-1	-1	-4	-5
Nat'l Critical Materials Council:							
Budget authority....	*	*	*	*	*	*	*
Outlays............	*	*	*	*	*	*	*
Nat'l Space Council:							
Budget authority....	-1	-2	-2	-2	-2	-7	-8
Outlays............	-1	-2	-2	-2	-2	-7	-8
Points of Light Initiative Foundation: [NOTE: Funding will be provided through National Service Foundation]							
Budget authority....	-5	-5	-6	-6	-6	-22	-28
Outlays............	-5	-5	-6	-6	-6	-22	-28
TOTALS.......	-9	-10	-11	-11	-11	-41	-52
	-9	-10	-11	-11	-11	-41	-52

Note: * indicates less than $500 thousand.

URBAN [illegible]CUT
President Clint[illegible]994 Budget
(dollars [illegible]ons)

	1993		1994		1995		1996		1997		1998		1994 - 1997 Total		1994 - 1998 Total	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
TOTAL URBAN SPENDING																
Stimulus Total................................	5,064	1,610	0	2,461	0	1,220	0	406	0	283	0	120	0	4,370	0	4,490
Investment Total............................	na	na	4,593	1,679	8,090	4,400	9,604	7,456	11,124	10,163	12,634	12,834	33,411	23,698	46,045	36,532
Program Savings............................	0	0	(1,754)	(87)	(2,460)	(469)	(2,531)	(1,065)	(2,602)	(1,490)	(2,671)	(1,972)	(9,347)	(3,111)	(12,018)	(5,083)
URBAN SPENDING....................	5,064	1,610	2,839	4,053	5,630	5,151	7,073	6,797	8,522	8,956	9,963	10,982	24,064	24,957	34,027	35,939
STIMULUS PROPOSALS																
Mass Transit	736	139	0	245	0	147	0	95	0	89	0	22	0	576	0	598
Mass Transit (Ob. Limit)	16	1	0	3	0	5	0	3	0	3	0	1	0	14	0	15
Amtrak Capital	188	28	0	131	0	28	0	0	0	0	0	0	0	159	0	159
Airport Improvement Program	250	34	0	106	0	63	0	25	0	13	0	10	0	207	0	217
Community Development Block Grants	2,536	659	0	1,319	0	558	0	0	0	0	0	0	0	1,877	0	1,877
Accelerate HOME Investment Partnership	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accelerate Public Housing Modernization	0	83	0	173	0	263	0	260	0	171	0	85	0	867	0	952
Supportive Housing Programs	423	127	0	211	0	85	0	0	0	0	0	0	0	296	0	296
District of Columbia	28	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Economic Development Administration	94	9	0	29	0	29	0	18	0	7	0	2	0	83	0	85
Minority Business Development	2	1	0	1	0	0	0	0	0	0	0	0	0	1	0	1
Chapter 1 Census Supplemental	235	28	0	160	0	42	0	5	0	0	0	0	0	207	0	207
Head Start Summer Program	500	425	0	75	0	0	0	0	0	0	0	0	0	75	0	75
Head Start - Child Care Feeding	56	48	0	8	0	0	0	0	0	0	0	0	0	8	0	8
STIMULUS SUBTOTAL.....................	5,064	1,610	0	2,461	0	1,220	0	406	0	283	0	120	0	4,370	0	4,490
INVESTMENT PROGRAMS																
High Speed Rail Bonds	na	na		0		1		4		11		20	0	16	0	36
Mass Transit Formula Grant	na	na	584	22	1,125	152	1,314	431	337	701	369	815	3,360	1,306	3,729	2,121
Mass Transit Formula Grants (Ob. Limit)	na	na	15	1	(125)	(3)	(314)	(33)	663	(62)	631	49	239	(97)	870	(48)
High Speed Rail/Maglev	na	na	75	15	125	78	125	120	125	125	350	170	450	338	800	508
High Speed Rail/Maglev (Ob. Limit)	na	na	60	12	100	62	125	101	175	133	0	135	460	308	460	443
Airport Improvement Program	na	na	30	5	50	22	50	36	50	44	50	47	180	107	230	154
Community Development Block Grant	na	na	90	4	150	41	150	100	150	137	150	148	540	282	690	430
Enterprise Zones - deficit impact ( )	na	na		73		347		772		1,228		1,699	0	2,420	0	4,119
Community Development Banks	na	na	60	45	104	93	107	106	111	110	115	114	382	354	497	468
Extend Low-Income Housing Tax Credit - deficit impact ( )				214		478		791		1,114		1,442	0	2,597	0	4,039
Supportive Housing Program	na	na	180	0	300	22	300	81	300	138	300	183	1,080	241	1,380	424
Preservation and Restoration of Housing	na	na	546	37	908	155	900	282	893	384	883	519	3,247	858	4,130	1,377
Housing Subsidies	na	na	357	7	968	65	1,371	222	1,803	422	2,324	654	4,499	716	6,823	1,370
Urban Partnership Against Crime	na	na	90	6	150	52	150	116	150	138	150	133	540	312	690	445
Severely Distressed Public Housing	na	na	175	0	284	17	276	68	268	121	260	167	1,003	206	1,263	373
HOPE Youthbuild	na	na	48	0	80	5	80	19	80	34	80	48	288	58	368	106
Head Start - program growth	na	na	785	377	1,571	1,142	2,358	1,927	3,143	2,713	3,926	3,497	7,857	6,159	11,783	9,656
Head Start - Summer	na	na	514	437	527	525	540	538	554	552	567	565	2,135	2,052	2,702	2,617
Head Start - Related Medicaid	na	na	17	17	49	49	93	93	116	116	142	142	275	275	417	417
Head Start - Related Child Care Feeding	na	na	116	101	178	170	240	232	303	295	366	358	837	798	1,203	1,156
Youth Apprenticeship	na	na	269	32	500	243	500	448	500	495	500	500	1,769	1,218	2,269	1,718
Job Corps: adopt 50 - 50 plan	na	na	133	11	171	32	214	96	328	202	346	344	846	341	1,192	685
JTPA Summer Youth Employment	na	na	374	247	625	540	625	625	625	625	625	625	2,249	2,037	2,874	2,662
Community Policing	na	na	50	7	175	56	250	135	300	223	350	286	775	421	1,125	707
Police Corps	na	na	25	9	75	56	150	146	150	164	150	174	400	375	550	549
INVESTMENT SUBTOTAL..............	na	na	4,593	1,679	8,090	4,400	9,604	7,456	11,124	10,163	12,634	12,834	33,411	23,698	46,045	36,532

URBAN C[illegible]IT

Presiden[illegible] Budget

(dollars [illegible])

	1993		1994		1995		1996		1997		1998		1994 - 1997 Total		1994 - 1998 Total	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
SAVINGS PROPOSAL																
Eliminate one time building projects	na	na	(98)	(15)	(100)	(59)	(103)	(95)	(105)	(102)	(108)	(104)	(406)	(271)	(514)	(375)
Eliminate Community Investment Program	na	na	0	0	(527)	(211)	(540)	(411)	(554)	(532)	(567)	(550)	(1,621)	(1,154)	(2,188)	(1,704)
Streamline Savings	na	na	(1)	(1)	(2)	(2)	(3)	(3)	(4)	(4)	(5)	(5)	(10)	(10)	(15)	(15)
Eliminate Public Housing New Construction	na	na	0	0	(65)	0	(66)	(7)	(68)	(36)	(70)	(58)	(199)	(43)	(269)	(101)
Reduce Section 8 Loan Management Set-aside	na	na	(181)	(10)	(178)	(28)	(177)	(46)	(176)	(72)	(174)	(144)	(712)	(156)	(886)	(300)
Eliminate Individual HUD grants	na	na	(268)	(5)	(278)	(73)	(287)	(209)	(297)	(278)	(308)	(288)	(1,130)	(565)	(1,438)	(853)
Modify Fees for Public Housing	na	na	(6)	(40)	(11)	(85)	(18)	(136)	(24)	(193)	(25)	(204)	(59)	(454)	(84)	(658)
Preservation of Low-Income Housing	na	na	(91)	(5)	(151)	(15)	(148)	(37)	(144)	(58)	(141)	(80)	(534)	(115)	(675)	(195)
Consolidate Several HUD programs into HOME	na	na	(1,109)	(1)	(1,148)	29	(1,189)	(56)	(1,230)	(150)	(1,273)	(474)	(4,676)	(178)	(5,949)	(652)
Harbor Maintenance Fee Collection Enforcement	na	na	0	(10)	0	(25)	0	(65)	0	(65)	0	(65)	0	(165)	0	(230)
PROGRAM SAVINGS SUBTOTAL..................	0	0	(1,754)	(87)	(2,460)	(469)	(2,531)	(1,065)	(2,602)	(1,490)	(2,671)	(1,972)	(9,347)	(3,111)	(12,018)	(5,083)

Clinton Presidential Records
Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

STIMULUS/INVESTMENT/SAVINGS PROPOSALS: DETAIL BY AGENCY

Divider Title: ______________________________

CONTENTS

February 17, 1993
12:04am

AGRICULTURE

AGRICULTURE: Administrative Savings -- Farm Service Organizations (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	-68	-142	-222	-310	-406	-742	-1,148
Outlays.................	-65	-139	-219	-307	-403	-730	-1,133

Consolidate all USDA offices that serve farmers in a county or region so that all USDA farm programs could be offered through a single office. Savings would be realized through staffing reductions at all administrative layers (through attrition) and other efficiencies in rent, computer equipment, and other overhead. Service to farmers should improve and their Federal "red tape" burden reduced.

AGRICULTURE: Business and Community Initiative (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	393	656	656	656	656	2,361	3,017
Outlays.................	105	240	356	454	544	1,155	1,699

-- Would boost investment in rural areas for small, emerging businesses ("micro-enterprises"); rural hospitals and other community facilities; and rural housing.

-- Would create 5,000 jobs in FY 1994.

AGRICULTURE: Commodity Credit Corporation (CCC) -- Non-Eligible Payment Acres (Triple Base) (Entitlement Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
	---	---	-310	-720	-720	-1,030	-1,750

CCC FY 1993 outlays are estimated to be $17 billion. This savings option would raise the percentage of "triple-base" acres from 15 percent to 25 percent in FY 1996. Under triple base (enacted in 1990 OBRA), 15 percent of a farm's crop acreage base is ineligible for CCC deficiency payments. The crop raised on the ineligible acres receives the market price, and the producer responds more directly to markets, rather than to CCC rules.

Reasons to Increase Non-Eligible Payment Acres (Triple Base)

- This option would raise the percentage of "triple-base" acres from 15 percent to 25 percent in the 1995 Farm Bill.
- The 1990 OBRA instituted triple base, which was an effort to reduce USDA's Commodity Credit Corporation (CCC) outlays and free producers from farming for such outlays. Under triple base, 15 percent of a farm's crop acreage base is ineligible for CCC deficiency payments (authorized for wheat, feedgrains, cotton, and rice), but most crops still could be raised on those acres, and the farm's crop acreage base for future CCC payments in later years would be preserved.
- Good for the environment. Gives farmers more flexibility to plant as the market indicates, and to rotate crops as sound environmental practice indicates, rather than as the goal of maximum Federal subsidies dictates.
- Builds on existing program rules, without opening the 1990 Farm Bill.
- Widely expected by the farm community, if only because triple base edges the U.S. farm sector toward the global future of less subsidized, competitive production.
- Would save $1.8 billion during FY 1996-1998. The triple base savings in the 1990 OBRA were firm, achievable savings for CCC.
- Budget cut does not reduce farm income dollar-for-dollar. The crop raised on the ineligible acres receives the market price, and the producer responds more directly to markets, rather than to CCC rules for its farm programs. Since triple base began in FY 1991, farm income has been at record levels.
- Positive step in GATT negotiations in agriculture. Since 1985, the practice has been that when the U.S. cuts its domestic farm subsidies, the European Community moves forward on agriculture reform and its budget cuts.

- The option should be coupled with the option to increase assessments on Federally-subsidized crops that do not offer deficiency payments (like peanuts, tobacco, dairy, sugar, honey, wool and mohair), in order to treat all CCC program crops equitably (see next page).

AGRICULTURE: CCC -- "Non-Program" Federally-Subsidized Crops (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	---	-450	-450	-450	-900	-1,350

FY 1993 CCC outlays are estimated to be $17 billion. Certain "non-program" crops (sugar, dairy, tobacco, honey, peanuts, soybeans, wool and mohair) receive USDA price-support loans, and benefit from USDA-imposed restrictions on production or imports. The laws affecting non-program crops cause consumers, rather than Federal taxpayers, to pay subsidies through higher market prices. This proposal would reduce subsidies on crops not affected by the "triple base" option above, preserving "shared sacrifice" across commodity groups.

Reasons to Increase Assessments on "Non-Program" Federally Subsidized Crops

- This option would increase the projected receipts on "non-program" crops (including sugar, dairy, tobacco, honey, peanuts, soybeans, wool and mohair) by 67 percent in the 1995 Farm Bill, in line with the percentage in the triple-base proposal.
- Federal support for these crops arises not from direct subsidy payments from the U.S. Treasury but from, among other things, U.S. government loans, and restrictions on production or on imports.
- The laws cause consumers, rather than taxpayers, to pay most of the subsidy through higher market prices.
- A proposal to increase non-eligible acres for subsidy payments affects the "program" crops and so favors the "non-program" crops. For equitable treatment of all subsidized crops, the 1990 OBRA levied marketing assessments and loan origination fees on the "non-program" crops of one percent.
- Would reduce net CCC outlays by $1.4 billion during FY 1996-1998. These are **reliable budget savings** (based on 1990 OBRA results).
- Legislators and commodity groups agree that all crops should "share the pain" equitably.
- Crop production patterns could be distorted triple base without assessments, leading to increased CCC costs.

AGRICULTURE: CCC -- PAY 92 Programs (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	---	-273	-664	-640	-937	-1,577

CCC FY 1993 outlays are estimated to be $17 billion. PAY/92 Programs (also called "0/92" and "50/92") are examples of USDA paying farmers not to produce. Elimination would increase overall production, thereby requiring higher unpaid set-aside acres under CCC's "acreage reduction program", but should also enable U.S. farm exports to increase.

Reasons for Eliminating the 0/92 and 50/92 (PAY/92) Programs

- PAY/92 Programs (variations are "0/92" and "50/92") are examples of USDA paying farmers not to produce. Producers agree not to plant a portion of their crop acreage -- 50 percent or less for cotton and rice, and 100 percent or less for wheat and feed grains -- in return for 92 percent of their CCC farm subsidy payments on those acres. Eliminating PAY/92 would require that individuals actually plant their acreage in order to receive Federal crop subsidy payments.

- PAY/92 was introduced in the 1985 Farm Bill during a time of huge crop surpluses as a means to control production. This situation has changed.

- Any need to control acreage because of the increased production can be accomplished by increasing the unpaid set-aside acres under CCC's "acreage reduction program".

- PAY/92 cedes markets to other Nation's producers. While U.S.-planted acreage fell by 10 percent over the period when PAY/92 was introduced (1985-91) from the previous decade (1975-1984), planted acreage in other countries virtually replaced America's idled acres on an acre-for-acre basis.

- PAY/92 decreases U.S. farm exports. The program's effect can be seen vividly in the rice program. In the 1986 crop year, 174 thousand acres were under PAY/92. By 1998, that figure is expected to increase 236 percent. However, rice exports are expected to fall over the same period from 84 million hundredweight to 57 million (a decrease of 32 percent).

- Decreased commodity production from PAY/92 raises market prices and the costs of CCC's export subsidy programs. USDA export programs counteract the export-depressing effects of high U.S. market prices.

- The program raises consumer costs by the higher market prices resulting from the reduced production.

- Producers are receiving payments, without planting, and according to their level of historic crop acreage. It is an entitlement directed toward those with the most land.

AGRICULTURE: CCC Subsidies to Farmers (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-75	-115	-140	-140	-140	-470	-610

FY 1993 CCC outlays are estimated to be $17 billion. This option would make ineligible from receiving CCC crop subsidies any producer receiving $100,000 or above in adjusted gross income. This would direct farm payments to smaller family farms.

Reasons to Limit Farm Subsidy Payments to Persons Receiving Less Than $100,000 in Gross Income From All Sources

- This option would make ineligible from receiving USDA's Commodity Credit Corporation (CCC) crop subsidies (price support loans and income support payments) any producer receiving $100,000 or above in adjusted gross income (on or off farm). Producers would be required to demonstrate their income when signing up for CCC programs, probably using signed tax returns for the previous year.
- Would tend to direct farm payments to smaller, family farms, which deserve Federal financial help more than large agricultural enterprises.
- Would save $1.4 billion in CCC outlays during FY 1994-1998.
- Would cause an estimated 5-10 percent of program participants to drop out (but not all of the cropland they represent). Most of these wealthiest "persons" include corporations and individuals for whom farming is not their primary occupation or source of income.
- Moves toward "decoupling", whereby CCC programs function to support the incomes of farmers in financial need, rather than control production as traditionally claimed by farmers. This is good for a GATT agreement in agriculture, since it is a way of aiding farm income that does not distort international trade. The U.S. has encouraged the European Community to reform its Common Agricultural Policy along this line.
- This option alone would restrict individuals from program participation, but would not necessarily restrict acreage on which subsidies are paid. The option to limit subsidy payments to $50,000 per person (see next paper), when combined with this option, would tend to eliminate land controlled by wealthy participants from receiving subsidies.

AGRICULTURE: CCC -- Subsidies to Honey Producers (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-12	-10	-6	-4	-3	-32	-35

FY 1993 outlays for the honey program are estimated to be $17 million. There is no further need for the program, which relies upon CCC nonrecourse loans and "loan deficiency payments" whereby the producer receives the difference between the loan rate and the market price (in lieu of a CCC loan) or repays loans at less than par value. Roughly 350 individuals get over 50 percent of payments. Most honey program recipients are in North and South Dakota and New Mexico.

AGRICULTURE: Commodity Disaster Payments (Entitlement Program Savings Proposals)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	---	---	---	---	---	---

Each year since 1987, Congress and the Administration have provided ad hoc disaster payments to farmers. Under existing 1990 Farm Bill law, disaster payments are subject to appropriations. This proposal would reform ad hoc disaster payments. The option assumes a continuation of the Federal Crop Insurance Corporation (FCIC); reforms of FCIC are discussed in a separate paper.

Under 1990 Farm Bill law, a farmer must suffer a 35 percent loss (40 percent if the farmer has not purchased Federal crop insurance, even though it was available) to be eligible for Federal disaster payments. Farmers do not receive disaster payments on the first 35 percent of loss. This proposal would increase the loss threshold to 40 percent (50 percent if the farmer has not purchased Federal crop insurance, even though it was available). In addition, disaster payments would only be available contingent upon a Presidential declaration of an emergency as defined by the Budget Enforcement Act. Because disaster payments are not assumed in the baseline, no savings are scored for this proposal. However, savings would certainly be realized upon the enactment of the next disaster bill.

AGRICULTURE: Crop Insurance Program (Entitlement Program Savings Proposal and Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Mandatory Savings........	---	-238	-246	-255	-264	-739	-1,003
Discretionary Cut........	-105	-110	-165	-171	-177	-551	-728
Total................	**-105**	**-348**	**-411**	**-426**	**-441**	**-1,290**	**-1,731**

Reform the Federal Crop Insurance Corporation (FCIC) to reduce the need for free disaster payments; estimates present savings from crop insurance reform only, because disaster payments are not explicitly assumed in the baseline.

The aggregate FCIC loss ratio is 1.4 per year, that is, for every dollar in premium, one dollar and forty cents is paid out by FCIC in indemnities.

Discretionary savings from area-yield result as reinsured companies do not need to be reimbursed for loss adjustment activities. Mandatory savings result as area-yield is expected to reduce the annual FCIC loss ratio from 1.4 to roughly 1.1. Over time, the loss ratio would be expected to be 1, as more underwriting experience is gained.

An alternative (not costed out here) would be to make area-yield crop insurance a prerequisite to CCC commodity program participation to obviate the need for disaster assistance, except for farmers whose crops are not covered by insurance and who do not participate in the commodity programs.

AGRICULTURE: Earmarked Facilities Construction -- Agricultural Research Service (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-11	-11	-11	-11	-12	-44	-56
Outlays................	-1	-6	-7	-10	-10	-24	-34

Reduce spending on Agricultural Research Service (ARS) facility construction by eliminating low-priority projects required by congressional earmarks. Continue funding for ARS facility improvements necessary for health and safety reasons, and ARS facility modernization necessary for state-of-the-art research in areas such as biotechnology.

AGRICULTURE: Earmarked Facilities Construction -- Cooperative State Research Service (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.....	-53	-55	-56	-58	-59	-222	-281
Outlays..............	-3	-7	-32	-44	-60	-86	-146

The projects funded are lower priority and would be better funded by States or the agribusinesses that directly benefit from them. Examples of projects funded in FY 1993 include the New York Botanical Garden ($4 million) and a vidalia onion storage research facility.

AGRICULTURE: Earmarked Special Extension Grants (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget Authority....	-13	-13	-14	-14	-15	-54	-69
Outlays.............	-13	-13	-14	-14	-15	-54	-69

Eliminate Extension Service's Congressionally earmarked special extension grants that should be financed through the USDA funds each State receives to support the Extension Service in that State.

AGRICULTURE: Earmarked Special Research Grants -- Cooperative State Research Service (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority......	-44	-45	-46	-47	-49	-182	-231
Outlays...............	-4	-18	-32	-42	-46	-96	-142

Congressional earmarking of CSRS research dollars has increased significantly in recent years. Many of the research projects funded could be financed by the agribusinesses that directly benefit from the research (e.g., the floral, timber, and seafood industries).

AGRICULTURE: Economic Research Service Programs (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget Authority.......	-15	-16	-17	-17	-18	-65	-83
Outlays................	-12	-16	-16	-17	-18	-61	-79

Reduce the ERS budget by 25 percent by redirecting research towards specific Department needs, contracting out some projects, and reprioritizing. ERS currently employs more than 500 economists.

AGRICULTURE: Facility Repair and Maintenance -- Agricultural Research Service (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	38	---	---	---	---	---
Outlays...............	30	8	---	---	---	---

The majority of ARS' repair and maintenance activities are contracted out, which creates private-sector jobs and avoids increasing the Federal workforce. Many of ARS' laboratories are about 50 years old. Heating, electrical, plumbing, and roof repairs are necessary for health and safety reasons, and to keep the buildings functional. Additional funds for this activity would accelerate the repair of these locations.

AGRICULTURE: Farmers Home Administration -- Direct Farm Loans (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority..........	-3	-10	-10	-10	-11	-33	-44
Outlays...................	-3	-8	-10	-10	-11	-31	-42

Reduce farm ownership and farm operating direct loans made by FmHA by 25 percent from baseline levels and replace with subsidized farm ownership and farm operating guaranteed loans. This shift was enacted in OBRA 1990, but was undone in subsequent appropriations. Loan authority would continue to be targeted to young and beginning family-sized farmers.

AGRICULTURE: Food Safety Initiative and Emergency Food Assistance (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Food Safety Initiative							
Budget authority.........	18	33	34	35	36	120	156
Outlays..................	14	30	33	34	35	111	146
Emergency Food Assistance							
Budget authority........	40	68	68	68	68	244	312
Outlays.................	40	68	68	68	68	244	312

-- The Food Safety Initiative would: (1) fund 200 additional meat and poultry inspectors; and (2) improve inter-agency research on food-borne pathogens.

-- Would continue emergency food assistance spending at the level proposed by the Stimulus package.

AGRICULTURE: Food Safety Inspection Service (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	4	---	---	---	---	---
Outlays..............	4	---	---	---	---	---

The four-million supplemental would fund 160 additional meat and poultry inspectors. In a Congressional hearing held recently in response to the E. Coli outbreak, Secretary Espy cited the need for more inspectors.

AGRICULTURE: Food Stamps (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	1,000	2,000	3,000	3,000	3,000	9,000	12,000
Outlays.................	1,000	2,000	3,000	3,000	3,000	9,000	12,000

-- This proposal, in conjunction with proposals for the low-income energy assistance program (HHS) and the Earned income tax credit (Treasury) would offset some of the regressiveness associated with the proposed energy tax.

AGRICULTURE: Foreign Agricultural Service Programs (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.....	-10	-10	-10	-10	-10	-40	-50
Outlays..............	-5	-10	-10	-10	-10	-35	-45

Reduce FAS activities that the private sector should be doing. Producer-paid "check-off" programs, such as those under the Agricultural Marketing Service's Research and Promotion Orders, frequently share some of the costs for market promotion, but generally devote the greater portion of their efforts to the domestic market, leaving Federal dollars to carry out export-related activities.

Federal funds used by FAS's cooperator program, to pay the rent and other administrative expenses for agricultural commodity groups overseas to provide these groups with initial exposure in foreign countries, should be scaled to decline swiftly after an initial exposure period. To promote agricultural exports, particularly those of processed goods, coordinate technical assistance for exporters with the Commerce Department. Merge the Office Of International Cooperation and Development with FAS to provide additional administrative savings. Cut administrative overhead for managing the Market Promotion Program (MPP).

AGRICULTURE: Forest Service -- National parks and forests (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	537	---	---	---	---	---
Outlays...............	484	54	---	---	---	---
Forest Service (USDA)						
Budget authority......	188	---	---	---	---	---
Outlays...............	169	19	---	---	---	---
National Park Service (DOI)						
Budget authority......	349	---	---	---	---	---
Outlays...............	315	35	---	---	---	---

This proposal would substantially reduce (by about 30 percent) the current combined $800 million backlog in park and forest facility cyclic maintenance, rehabilitation, and trail reconstruction. Many targeted parks and forests are located in rural areas where economies are principally dependent on the Federal presence and would benefit from these capital improvements (more jobs and eventually more recreation visitors). This funding is in addition to infrastructure funding for resource areas managed by the Department of Interior.

AGRICULTURE: Forestry Research Initiative (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	20	66	90	111	126	287	413
Outlays.................	16	56	84	105	122	261	383

-- FY 1993 - $213 million.

-- Research will focus on understanding, restoring and sustaining natural ecological processes to support advances in ecological management practices, and reform in U.S. forest management to better address economic and environmental factors.

-- The National Academy of Science's report, "Forestry Research, A Mandate for Change," highlighted the need for increased investment in forestry and natural resources research and education to address current and future resource management programs.

-- Improved coordination among the several that currently perform forestry research will ensure that Federal research dollars are allocated in the most appropriate manner.

-- Funds used for research and used for teaching undergraduates and graduates in natural resource science fields will improve the cadre of natural resource scientists in the future.

-- Program includes an extension component that would increase the use of ecosystem management principles on private forestry land.

-- Would create over 1,000 jobs by FY 1995.

AGRICULTURE: Forests for the Future (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	30	50	50	50	50	180	230
Outlays.................	24	46	50	50	50	170	220

-- U.S. commitment to double funding for international forestry made at Rio "Earth Summit."

AGRICULTURE: Market Promotion Program (Entitlement program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-52	-52	-52	-52	-52	-208	-260

FY 1993 MPP funding is $148 million. The MPP provides subsidies to commodity associations, cooperatives and private companies in order to promote the export of U.S. farm products. Because the program has a large and fixed funding level, USDA acts to ensure that all funds are used. Consequently, a number of controversial projects have been subsidized. Remaining funds would be targeted to companies with modest gross sales, and away from corporations like McDonald's.

AGRICULTURE: Meat and Poultry Inspection Fees (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget Authority......	-104	-104	-104	-104	-104	-416	-520
Outlays...............	-104	-104	-104	-104	-104	-416	-520

This option would require slaughterhouses and processing plants with regularly-scheduled overtime shifts to reimburse the Government for the full overtime cost of Federal meat and poultry inspections. Full fees for overtime inspection are authorized for all slaughterhouses and processing plants, and are now collected from some (generally smaller facilities). This option charges all establishments for full overtime cost, and, therefore, treats all plants operating overtime shifts equally. User fees are appropriate for Federal inspection services, since inspected products receive a marketing benefit from having a certified "safe" product.

AGRICULTURE: National Research Initiative (NRI) Grants (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	30	100	150	200	250	480	730
Outlays.................	2	16	60	110	160	188	348

- -- FY 1993 - $98 million.
- -- Annual returns to agricultural research investments are reported to be high. High priority areas of the NRI include biotechnology, food safety, sustainable production practices, and developing technologies to manufacture new agricultural materials and products.
- -- Examples of NRI projects include creating more disease-resistant plants requiring less pesticide use and improved breeding of animals for leaner meat.
- -- Because the competitive grants program focuses primarily on basic research, the results of many of the research projects will be useful to scientists in other disciplines.
- -- Improves the quality of scientists in agricultural, food and environmental sciences. Will attract more talented students to related scientific disciplines.
- -- Approximately 500 new research projects would be supported each year, and over 1,100 jobs would be created by FY 1996.
- -- 20 percent of NRI funds are targeted to individuals and institutions that have not historically received competitive grants (e.g., post-doctoral scientists).

AGRICULTURE/INTERIOR: Permanently Extend 50 Percent Net Receipt Sharing (On-shore Minerals) (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-40	-42	-43	-45	-47	-170	-217

Collections in 1993 are estimated to total $38 million. This option would continue and make permanent the reduction from gross receipts equal to fifty percent of the Federal administrative costs incurred in generating the receipts from Federal lands prior to distribution to States and the Federal Treasury. This action has been enacted by Congress over the last three years in the Interior Appropriations bill. Included are Interior and Agriculture programs for on-shore oil, gas, and other minerals.

AGRICULTURE: P.L. 480 Title III (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-59	-68	-77	-86	-95	-290	-385
Outlays................	-30	-63	-72	-81	-90	-246	-336

Reduce foreign food aid grants for developmental purposes because benefits have not been realized. Humanitarian food aid is left intact.

AGRICULTURE: Rural Elderly Housing -- Farmers Home Administration (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Loan Level............	(3)	---	---	---	---	---
Budget authority......	7	---	---	---	---	---
Outlays...............	6	1	---	---	---	---

Loans at one percent interest are made to very low-income, rural individuals to repair or rehabilitate their dwellings. The loan term may not exceed 20 years. The maximum loan amount is $20,000. Grants are made to very low-income, rural applicants to repair or rehabilitate their homes in order to remove safety and health hazards. Such improvements may include repairing roofs, providing toilet facilities, and installing screens. There is a lifetime assistance limitation of $5,000 for these grants. The grants are limited to individuals above 62 years of age. Stimulus would be immediate. The program has a high spendout rate. Secretary Espy has requested this stimulus option in his stimulus appeal list of 1/29/93.

AGRICULTURE: Rural Electrification Administration Loan Subsidies (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.........	-193	-199	-204	-209	-214	-805	-1,019
Outlays..................	-27	-77	-120	-150	-171	-374	-545

Change the terms on REA electric and telephone direct loans to eliminate their subsidy costs: Increase interest rates on loans to Treasury rates for all loans (eliminating interest subsidies), and charge origination fees on power supply loans to cover the costs of expected defaults. Maintain $2 billion annual loan level.

AGRICULTURE: Rural Water and Waste Water Loans and Grants (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority......	145	242	242	242	242	871	1,113
Outlays...............	6	42	107	176	207	331	538

-- FY 1993 - $600 million in loans.
$390 million in grants.

-- According to a USDA study, to comply with clean water standards set by EPA, rural America's water and waste needs total roughly $10 billion. These additional funds will expedite the ability of rural areas to comply with clean water standards. There is a current $1.2 billion backlog for this assistance.

-- Additional direct loan authority ($300 million annually) and grants ($200 million annually) would create nearly 5,000 jobs by FY 1997 in the construction and other related industries. Direct loans and grants are targeted to low income communities.

-- Would fund roughly 5,000 new small projects over 5 years.

AGRICULTURE: Single Family Housing Guaranteed Loans -- Farmers Home Administration (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Loan Level............	(235)	---	---	---	---	---
Budget authority......	5	---	---	---	---	---
Outlays...............	4	1	---	---	---	---

This proposal would increase the FmHA single-family guaranteed loan authority by $235 million. The FY 1993 level of $329 million is expected to be used by May, 1993. Given the increased demand for this program, because of lower commercial interest rates, the proposed increase would meet the remaining demand for this program and would be obligated by the end of FY 1993. This proposal would create 810 jobs in FY 1993.

AGRICULTURE: TEFAP -- The Emergency Food Assistance Program (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	23	---	---	---	---	---
Outlays...............	23	---	---	---	---	---
Outyear Funding Requirements						
Budget authority......	---	68	68	68	68	68
Outlays...............	---	68	68	68	68	68

This proposal would increase commodity donations to low-income households and the homeless, and would raise total FY 1993 funding to $186 million, 57 percent above FY 1992 levels.

AGRICULTURE: Timber Sales (Entitlement Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Program reduction (Discretionary savings).....	-46	-59	-83	-86	-86	-274	-360
Reduction in Receipts (Mandatory effect).........	38	48	58	58	58	202	260
Net Savings..............	-8	-11	-25	-28	-28	-72	-100

Total timber sale administration costs in FY 1993 are $219 million; total FY 1993 timber sale receipts are $529 million. Phase-in elimination of all National Forest-level timber programs identified as below-cost by the Forest Service's Timber Sale Program Information Reporting System (TSPIRS). Using FY 1991 data, 66 national forests (there are about 120 national forests), mostly in the Rocky Mountain States, report timber-sale program costs that exceed revenue.

AGRICULTURE: Tree Planting Initiative (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	41	71	74	77	80	263	343
Outlays.................	33	64	73	76	79	246	325

-- FY 1993 - $70 million.

-- Furthers U.S. commitment to reducing global warming through carbon sequester.

-- Existing program enjoys strong support from the State Foresters and other user communities.

-- Would create temporary employment in targeted rural and urban areas (estimated 2,200 jobs annually).

AGRICULTURE: User Fees (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.........	-14	-14	-15	-16	-16	-59	-75
Outlays..................	-14	-14	-15	-16	-16	-59	-75

Includes recovery through fees of Federal Grain Inspection Service costs for standardization and research related to grain inspection within the inspection fee. FGIS fees are currently charged for all overseas and some domestic grain shipments. Require that all standardization and research for the Agricultural Marketing Service be fee-supported, and that all its overtime inspection of egg product plants be fee-based. Charge fees for Agricultural Cooperative Service technical assistance to high-income agricultural cooperatives, like Land-O-Lakes.

AGRICULTURE: Water and Waste Direct Loans -- Rural Development Administration (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Loan level...........	(470)	---	---	---	---	---
Budget authority......	67	---	---	---	---	---
Outlays...............	2	19	22	24	---	---

Direct loans (generally at five-percent interest) are targeted to low-income rural communities. According to a USDA study, to comply with clean water standards set by EPA, rural America's water and wastewater needs total roughly $10 billion. These additional funds will expedite the ability of rural areas to comply with clean water standards. Additional direct loan authority would create jobs in the construction and other related industries.

AGRICULTURE: Water and Waste Grants -- Rural Development Administration (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	281	---	---	---	---	---
Outlays...............	6	67	84	124	---	---

Grants are targeted to low-income communities. According to a USDA study, to comply with clean water standards set by EPA, rural America's water and wastewater needs total roughly $10 billion. These additional funds will expedite the ability of rural areas to comply with clean water standards. Additional grant authority would create jobs in construction and other related industries.

AGRICULTURE: Watershed & Flood Prevention -- Soil Conservation Service (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	47	---	---	---	---	---
Outlays...............	24	23	---	---	---	---

A backlog of over one billion dollars in total project cost exists for planned and authorized projects not fully funded for implementation. Within this backlog, there are "emergency" projects affecting public safety that would be targeted first with this one-time additional funding. This emergency work should be on the shelf ready to go. The program targets small dams and riverbank stabilization. Funds would provide increased employment opportunities in construction and related trades.

AGRICULTURE: WIC -- Food & Nutrition Service (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	75	---	---	---	---	---
Outlays...............	68	7	---	---	---	---
Outyear Funding Requirements						
Budget authority......	---	175	180	185	190	195
Outlays...............	---	159	180	185	190	195

This proposal would begin the phase-in of full funding, and would target the highest priority children not currently being served. Roughly 300,000 additional children would be enrolled by September, 1993.

AGRICULTURE: WIC -- Food & Nutrition Service (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	350	550	825	1,000	1,000	2,725	3,725
Outlays.................	318	532	800	984	1,000	2,634	3,634

-- Phasing in "full funding" would add about 2 million people between now and the end of FY 1996. This may be the maximum caseload growth States can sustain. Higher caseload growth could strain States' ability to gear up. The highest one-year change in average caseloads has been under 600,000.

-- Most of those added to the rolls would be children. Although some believe that nutrition assistance to children will yield benefits throughout their lives, the often-quoted 3 to 1 benefit cost ratio applies only to pregnant women -- nearly all eligible pregnant women will be assisted by the end of FY 1993.

AGRICULTURE: Wool & Mohair Price Support (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-10	-68	-68	-66	-66	-212	-278

FY 1993 cost of the wool and mohair program is estimated to be $183 million. Price-support payments would be limited to $50,000 per producer, consistent with the proposed payment limitation on other CCC programs. Currently, the bulk of payments go to large ranchers in western states who raise lambs for meat. Proposal would affect less than one percent of producers.

COMMERCE

COMMERCE: Economic Development Assistance Program -- Economic Development Administration (EDA) (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
Budget authority........	94	---	---	---	---	---
Outlays.................	9	29	29	18	7	2

This stimulus proposal would allow more localities in economically distressed areas to undertake needed infrastructure improvements and would create approximately 352 jobs in 1993. The Economic Development Administration (EDA) provides grants to State and local governments for: public works; economic development planning; assistance after disasters; and technical assistance. In FY 1993 a total of $217 million was appropriated by the Congress for this program. In FY 1994 EDA will be slightly below the baseline.

COMMERCE: Export Administration Workload (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Baseline							
Budget authority.......	43	45	47	49	51	184	235
Outlays................	42	45	46	48	50	181	231
Delta From Baseline							
Budget authority.......	-6	-7	-7	-7	-7	-27	-34
Outlays................	-6	-7	-7	-7	-7	-27	-34

The Bureau of Export Administration reviews applications for export control licenses of dual-use technologies. The number of applications has dropped sharply (70 percent from 1988 to 1992) since the dissolution of the former Soviet Union. This proposal shifts the agency's focus to pursuing bilateral and multilateral control agreements with cooperating nations.

COMMERCE: "Information Highways" (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	54	150	150	150	150	504	654
Outlays.................	6	42	98	129	150	275	425

-- This proposal would build on the 1993 stimulus package for the same purpose. In 1994, $90 million would be made available to the Department of Commerce for grants to States, local governments, universities, schools systems, and non-profits group to connect public facilities in a broadband, interactive telecommunications network. A smaller amount would be available for grants to help states and localities plan for statewide and eventually nationwide systems. A broadband network would allow engineers, teachers and students, and patients and doctors to communicate instantly with one another no matter how much distance separated them. Broadband educational networks are in place in Virginia and Texas and in several localities around the country. This proposal could build on those efforts and advance the design of broadband networks.

-- There has been little involvement of wireless communications interests in the development of the National Research and Education Network (NREN) and related computer networks. This proposal would bring NTIA, with its experience with telecommunications and public broadcasting, more completely into the development of these networks.

-- The proposal would create 720 jobs in 1994 and 3,720 over 1994 to 1997. These jobs would be in a "new," highly productive industry with significant growth and job creation potential.

COMMERCE: "Information Highways" -- National Telecommunications and Information Administration (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
Budget authority........	64	---	---	---	---	---
Outlays.................	3	31	30	---	---	---

In 1993, $64 million would be made available to the Department of Commerce for grants to States, local governments, universities, schools systems, and non-profits group to connect public facilities in a broadband, interactive telecommunications network or to develop plans for statewide and eventually nationwide systems. A broadband network would allow professionals and educators, such as engineers, teachers and students, and patients and doctors, to communicate instantly no matter how much distance separated them. Broadband educational networks are in place in Virginia and Texas as well as several localities around the country. This proposal could build on those efforts and advance the design of broadband networks.

There has been little involvement of wireless communications interests in the development of the National Research and Education Network (NREN) and related computer networks. This proposal would enable NTIA, with its experience with telecommunications and public broadcasting, to participate more fully in the development of these networks. The proposal would create approximately 122 jobs in 1993 and promote investment in a "new" industry with significant job creation potential.

COMMERCE: National Institute of Standards and Technology (NIST) -- Advanced Technology Program (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	103	---	---	---	---	---
Outlays...............	33	31	26	13	---	---

The proposed increase provides $103 million for NIST's Advanced Technology Program that awards matching grants for industry-led projects, where the research goals and objectives are conceived and carried out by industry, not government. These grants are provided for the development of pre-competitive generic technology. Proposals are selected through a rigorous and fair competition with proposals reviewed by both technical experts and private-sector business experts to ensure that they have both technical and business merit.

The National Institute of Standards and Technology (NIST) was established to assist industry in the development of technology needed to improve product quality, modernize manufacturing processes, and facilitate rapid commercialization of products based on new scientific discoveries. NIST has provided a steady stream of technological support to the competitiveness of U.S. firms for over 90 years. Working with industry, NIST has developed ever more exacting measurement methods, enhanced techniques in precision engineering, and "intelligent processing".

COMMERCE: Minority Business Development Administration (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
Budget authority........	2	---	---	---	---	---
Outlays.................	1	1	---	---	---	---

The Minority Business Development Agency offers technical assistance to minority businesses through a nationwide network of 107 centers. Minority businesses are assisted in many ways, including the development of loan applications, marketing plans, and accounting practices. Minority-owned businesses are currently estimated to make up about 6 percent of all businesses and about 25 percent of the population. By the year 2050, Blacks, Hispanics, Asians, and Pacific Islanders are projected to compose 48 percent of the U.S.

population. The nation's economic welfare depends increasingly on bringing minority groups into the mainstream of the U.S. economy. The funds proposed in this stimulus initiative cover costs necessary to run the program in 1993.

COMMERCE: National Institute of Standards and Technology (NIST) -- Advanced Technology Program (Stimulus Proposal)

[See "Crosscutting Proposals/Selected Highlights by Subject]

COMMERCE: National Institute of Standards and Technology Growth (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	157	478	597	861	868	2,093	2,961
Outlays.................	56	219	403	628	805	1,306	2,111

-- FY 1993 - $381 million.

-- The National Institute of Standards and Technology (NIST) was established to assist industry in the development of technology needed to improve product quality, modernize manufacturing processes, and facilitate rapid commercialization of products based on new scientific discoveries. NIST has provided a steady stream of technology support to the competitiveness of U.S. firms for over 90 years. Working with industry, NIST has developed ever more exacting measurement methods, enhanced techniques in precision engineering, and "intelligent processing".

-- This investment proposal is designed to strengthen the partnership between government and industry in developing pre-competitive generic technology and incorporating it into new products and processes. The proposal would: 1) provide $300 million in 1994, rising to $750 million by 1997, for the Advanced Technology Program to provide matching grants for industry-led R&D projects, including funding for consortia like SEMATECH; 2) provide over 100 manufacturing centers nationwide by 1997 to assist manufacturers in modernizing their production capability; and 3) provide for doubling the amount of R&D performed in the NIST labs by 1998 from $195 million in 1993 to $390 million by 1988. This proposal would increase total NIST funding from $381 million in 1993 to $1.3 billion in 1997.

COMMERCE: National Oceanic and Atmospheric Administration (NOAA) (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
Budget authority........	81	---	---	---	---	---
Outlays.................	67	14	---	---	---	---

This initiative would provide a total of $81 million for a variety of NOAA activities. Funds would be used to: staff new weather service offices (+$13M); modernize data systems (+$15M); purchase and install computers for fisheries (+$9M); enhance high performance computing and communications (+$11M); purchase atmospheric research equipment (+$15M); improve weather prediction technologies (+$11M); and enable NOAA to repair facilities and address environmental compliance responsibilities (+$12M).

Projects are fast spending and would create approximately 125 jobs in FY 1993. Many items proposed for purchase are available off-the-shelf. Funds would obligate largely under existing contracts and authorities. Several projects respond to needs for public safety, such as investments in weather forecasting systems, facilities repair, and environmental compliance.

COMMERCE: NOAA Earmarked Projects (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-65	-67	-70	-72	-74	-274	-348
Outlays................	-30	-55	-65	-70	-73	-220	-293

This proposal would eliminate funding for 47 National Oceanic and Atmospheric Administration programs that are not critical to NOAA's mission, are low priority, or are demonstration projects for which defining objectives have been achieved. Some projects do not meet programmatic standards established by Congress in authorizing statutes or published agency regulations. (Note: One of the projects likely to be dropped is a subsidy for fresh water catfish farming in Arkansas, $600,000.)

COMMERCE: NOAA Weather Service Modernization (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	155	37	66	35	-57	293	236
Outlays.................	84	86	70	50	-16	290	274

-- Modernization of NOAA's National Weather Service would promote public safety and preparedness by establishing an advanced observations and communications network capable of more timely and accurate detection of severe weather. These enhancements would result in significant cost savings in weather-dependent sectors of the economy.

-- Replacements would be made to obsolete and failing equipment, which currently threaten public safety.

-- Sufficient funds are provided in FY 1994 and beyond to finance the multi-year capital modernization program.

COMMERCE (NIST): Networking and Computer Applications (Stimulus Proposal)

[See "Crosscutting Proposals/Selected Highlights by Subject]

COMMERCE: Patent & Trademark Fees (Entitlement Program Savings proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	---	-111	-115	-120	-226	-346

These savings, related to processing of U.S. patents, have been specified in law for the period 1991 - 1995. This option extends fees, currently averaging $700, beyond 1995 (1996 - 1998) and builds in an annual increase equivalent to the Consumer Price Index (CPI). By 1998, average fees will increase to about $800. The option assures that the patent process continues to be fully fee funded.

COMMERCE: Trade Adjustment Assistance Program (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority......	-13	-14	-14	-15	-15	-56	-71
Outlays..............	-1	-5	-10	-13	-14	-29	-43

The Trade Adjustment Assistance Program (TAAP) awards funds to 12 Trade Adjustment Assistance Centers, which provide technical assistance to firms that are adversely affected by increased imports. These firms are essentially unable to compete in the marketplace. There is no evidence that the TAAP succeeds in restoring the international competitiveness of the firms it assists. Furthermore, the Department will be providing a great deal of assistance to firms through its expanding advanced technology programs and its growing number of manufacturing technology centers. Elimination of this program would not reduce assistance to unemployed or underemployed workers in these industries. A Department of Labor program provides retraining, cash allowances, and extended unemployment benefits to individuals in such firms.

CORPS OF ENGINEERS

CORPS OF ENGINEERS (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	94	---	---	---	---	---
Outlays...............	28	66	---	---	---	---

This proposal would increase the quality and productivity of specific water projects (commercial navigation, urban flood control, and hydropower), and expedite project benefits. The ready-to-go work (accelerated project construction and cyclic maintenance) would be performed primarily through contracts with local firms,resulting in an infusion of funds to local economies. The range of contract costs would allow large, small, and disadvantaged businesses to participate. The projects would be spread throughout the nation and would provide broad-based, multi-regional benefits. In addition, the proposal would generate a total of about 3,475 new jobs in FY 1993 and FY 1994.

CORPS OF ENGINEERS: Harbor Maintenance Fee Collection (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-10	-25	-65	-65	-65	-165	-230

Collections under the current Harbor Maintenance Fee will total about $483 million in FY 1993. The fee is paid by shippers who ship cargo through U.S. deep-draft harbors. The fee is based on the value of the cargo. This proposal would allow the Department of the Treasury's Custom Service to receive $5 million per year from the existing Harbor Maintenance Trust Fund to finance enhanced enforcement of fee collections from exporters and domestic shippers (who now comply with the fee on a voluntary basis). Subject to appropriations, receipts are used to offset the cost, up to 100 percent, of maintaining harbors. Figures above reflect increased receipts less $5 million per year in administrative costs. Handled same as IRS enforcement in OBRA. If enacted, the domestic cap is adjusted and receipts are scored as entitlement savings. NOT PAYGO.

CORPS OF ENGINEERS: Inland Waterway User Fees (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-35	-115	-210	-460	-460	-820	-1,280

The current fuel tax on vessel operators who use the Corps of Engineers waterway system will generate approximately $78 million in 1993. The current tax is used for new capital investments on the waterway system. This proposal would increase the FY 1994 Federal inland waterway fuel tax from 19 cents to $1.19 per gallon in a series of increasing steps to a total increase of $1.00 in 1997. It would be used to cover the Corps of Engineers operation and maintenance (O&M) costs on the applicable segments of the 11,000-mile taxable inland waterway system.

CORPS OF ENGINEERS/INTERIOR: Water Projects (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget Authority.......	-172	-44	-116	-87	-20	-419	-439
Outlays................	-103	-110	-93	-92	-38	-398	-436

This proposal would reduce or stretch-out funding for certain Army Corps of Engineers and Bureau of Reclamation water resources projects. Funding for these projects is not high priority because the projects are either: (1) not economically justified, (2) not a Federal responsibility, (3) exempted from standard non-Federal cost sharing, or (4) environmentally unacceptable. For the Corps of Engineers, specific projects are: Harlan and Barbourville elements of the Levisa and Tug Forks, KY, project; Red River Waterway, Locks and Dams 4 and 5, LA; O'Hare Reservoir, IL; Bethel Bank Stabilization, AK; and the parallel protection element of the Lake Pontchartrain, LA, project. Funding for the Bureau of Reclamation's Animas-LaPlata, CO and NM, project would be stretched out pending development and review of alternatives with less adverse environmental impact.

CORPS OF ENGINEERS: Water Resources Development (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	96	160	160	160	160	576	736
Outlays.................	77	147	160	160	608	544	704

-- This proposal would reduce the Army Corps of Engineers' backlog of needed maintenance and repair at water resource projects across the Nation. Corps of Engineers water projects provide flood damage reduction, inland and harbor waterway transportation, hydropower, and recreation benefits. The projects, though, are aging: more than one half of these projects are over three decades old. Nearly one quarter exceed 50 years in age. In spite of increasing numbers of projects and their advanced age, the funding for maintaining these projects has stayed relatively constant.

-- This additional investment will generate over 5,440 jobs in FY 1994.

DEFENSE

DEFENSE: Defense Conversion (Investment Proposal)

[See "Crosscutting Proposals/Selected Highlights by Subject]

EDUCATION

EDUCATION: Campus-Based Aid (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-200	-237	-273	-310	-348	-1,020	-1,368
Outlays................	-20	-198	-239	-275	-312	-732	-1,044

The three "Campus-based" programs -- Federal Supplemental Educational Opportunity Grant (SEOG), Federal Perkins Loans capital contributions, Federal Work-Study -- are funded at $1.4 billion in 1993. This proposal would set funding in total at $1.2 billion in 1994 and succeeding years. Schools would also be given new flexibility to transfer funds among activities to meet student needs. Schools would, for example, be able to provide greater funding for work-study opportunities in community service positions.

These three programs overlap and duplicate aid available from the much larger Pell Grant and Family Education Loan programs. In combination with other policies, total aid available from Education Department student aid programs is estimated to increase in 1994 to $28.4 billion, $873 million above aid available in 1993, despite this lower funding level.

EDUCATION: Chapter 1 Census Supplemental (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	235	---	---	---	---	---
Outlays...............	28	160	42	5	---	---

The proposal provides funds to mitigate substantially the effects of changes in the location of poor children in the U.S. that occurred between the 1980 and 1990 decennial censuses. The Chapter 1 compensatory education program, will for the first time, use 1990 census data to distribute FY 1993 appropriations used during the 1993-94 school year. The total number of poor children ages 5 to 17 increased between 1980 and 1990, and the distribution of those children shifted. Poor children are increasingly concentrated in the schools of the western States, and less concentrated in the schools of the eastern States. The supplemental will ease the transition to a smaller compensatory education program in communities that would otherwise have the size of their Chapter 1 grants substantially reduced for the 1993-94 school year. This proposal would preserve 6,000 education-related jobs.

EDUCATION: Chapter 1 Summer Pre-School and School Programs (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	500	---	---	---	---	---
Outlays...............	400	100	---	---	---	---
Outyear Funding Requirements						
Budget authority......	---	1,300	1,300	1,300	1,300	1,300
Outlays...............	---	325	1,300	1,300	1,300	1,300

This proposal provides support for local school districts throughout the U.S. to operate new or expanded 1993 summer programs providing education services to disadvantaged children in pre-school and elementary and secondary grades. Funds would be distributed through the Chapter 1 ("compensatory education for disadvantaged children") program formula. Most funds must be spent by school districts during the summer of 1993. The funds will provide new summer educational programs that would otherwise not have been available in participating schools. The funds are estimated to support the equivalent of 14,000 full year education-related positions.

EDUCATION: Education Reform and Initiatives (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	870	2,175	2,800	3,070	3,600	8,915	12,515
Outlays.................	206	1,043	2,206	2,697	3,083	6,152	9,235

Provides for:

-- State and local systemic reform of elementary and secondary education;

-- Reauthorization of elementary and secondary education programs and support of related activities;

-- State and local efforts to make schools safe and free of violence; and

-- Improving postsecondary education programs, which include Pell grants and other student financial aid and activities in support of Historically Black Colleges and Universities.

EDUCATION: Education Reform and Initiatives (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	870	2,175	2,800	3,070	3,600	8,915	12,515
Outlays.................	206	1,043	2,206	2,697	3,083	6,152	9,235

Provides for:

-- State and local systemic reform of elementary and secondary education;

-- Reauthorization of elementary and secondary education programs and support of related activities;

-- State and local efforts to make schools safe and free of violence; and

-- Improving postsecondary education programs, which include Pell grants and other student financial aid and activities in support of Historically Black Colleges and Universities.

EDUCATION: Federal Family Education Loan Program (formerly the Guaranteed Student Loan Program) (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-80	-122	-126	-131	-137	-459	-596

Student loan defaults cost the Federal government $2.5 billion in 1992. This proposal would require States to share default costs for student loans, as a way of encouraging better State management to prevent excessive defaults. The fee, assessed against new loan volume, would be equal to one half the percentage by which the default rate in the state exceeds 20 percent: a 22 percent default rate would yield a one percent fee on new loan volume.

States would be authorized to charge schools in their State a fee based on the school's default rate and the State's implementation costs. States would have an additional incentive to tighten licensing provisions, monitor schools more intensely and take corrective action early to prevent high defaults. Schools would work harder to avoid defaults. Schools that could justify high default rates would be exempt.

EDUCATION: Impact Aid "b" Payments (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-48	-95	-143	-147	-150	-433	-583
Outlays................	-39	-86	-134	-145	-149	-404	-553

Would phase-out payments to approximately 2,400 school districts enrolling 1.5 million children who either live on Federal property or whose parents work on Federal property; 38 percent are military dependents who live off-base, 38 percent are children who live in public housing, and 23 percent are children of Federal civilian employees. Funding would be reduced by 1/3 each year from the 1993 enacted year. Congress enacted a similar proposal in 1981 but reversed policy before it took effect.

EDUCATION: Pell Grants (FY 1993) funding shortfall (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
Budget authority........	653	---	---	---	---	---
Outlays.................	---	---	---	---	---	---

This proposal would provide $653 million in budget authority for an expected current year shortfall in the Pell Grant program for the 1993-1994 school year. Outlays for the shortfall are assumed in the baseline. The program uses funds from subsequent appropriations in the event of insufficient appropriations to fund student awards in the current school year. This appropriation eliminates the need for such "borrowing." Compared to baseline, the proposal has no effect on benefits. The policy on funding strategy for FY 1994 and the future for the Pell Grant program will be addressed separately in the 1994 budget.

EDUCATION: Pell Grants (prior-year funding shortfalls) (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
Budget authority........	1,371	---	---	---	---	---
Outlays.................	---	---	---	---	---	---

This proposal would provide $1,371 billion in budget authority for shortfalls from FY 1992 and prior years in the Pell Grant program. Outlays for the shortfall are assumed in the baseline. The program uses funds from subsequent appropriations in the event of insufficient appropriations to fund student awards in the current school year. This appropriation eliminates the need for such "borrowing."

EDUCATION: Student Loan Program (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
+171	+213	-378	-1,343	-1,833	-1,337	-3,170

The guaranteed student loan programs are now providing $20 billion in loan capital to 4.4 million borrowers through subsidies to banks and State and non-profit guaranty agencies. This proposal would provide funds and realize savings from modifying and expanding the currently authorized Direct Loan Pilot (already in the planning stage) beginning in FY 1994, with the goal of replacing guaranteed student loans with direct loans. Private capital and banks as loan originators would largely be replaced with Federal capital and schools as loan originators.

The direct lending program will be built up gradually, beginning with large scale testing of one or more options for the new administrative systems needed. Proper management of the $60 billion outstanding loan portfolio would be assured, as would effective administration of the ongoing guaranteed loan programs. Care will be taken to ensure that the availability of loan capital to students is not endangered during this developmental period.

As part of the President's goal of enhancing people's ability to work in community service jobs, new systems will also be devised to permit eligible student loan borrowers to repay their loans under flexible repayment options, including options where repayments vary with annual income. This will permit many individuals who have substantial postsecondary education loans to work in lower paying community service jobs.

ENERGY

ENERGY: Advanced Neutron Source (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	26	89	169	359	600	643	1,243
Outlays.................	11	50	116	243	439	420	859

-- Would improve U.S. capabilities for applied research in several fields that contribute directly to improving productivity and would help restore the U.S. to world leadership in neutron scattering capabilities.

-- Spending would be primarily to build the facility. Operating costs would be partially offset by closing existing facilities (these will be more than 35 years old when ANS begins operation) and collecting user fees.

ENERGY: Alternative fuels vehicles (for the Federal fleet) (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	18	30	30	30	30	108	138
Outlays.................	18	30	30	30	30	108	138

-- Would accelerate the mandatory conversion of the Federal motor fleet to alternatively fueled vehicles.

ENERGY: Close-out Costs for DOE Reactors (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	24	10	5	---	---	39	39
Outlays.................	18	8	9	3	1	38	39

-- Termination of operations and placing reactors in a safe shutdown condition.

ENERGY: Demonstration Projects -- Building and Industrial Conservation (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	19	---	---	---	---	---
Outlays...............	10	9	---	---	---	---

These funds would support a one-time solicitation for small, cost-shared demonstration projects in the buildings and industrial conservation R&D programs. Funds would be distributed competitively based on criteria that provide short-term stimulus.

ENERGY: Energy Conservation and Renewable Energy Programs -- Energy Policy Act (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	120	300	400	500	600	1,320	1,920
Outlays.................	48	168	304	420	520	940	1,460

-- These funds would allow the Department of Energy (DOE) to expand current research, development, and demonstration programs and to implement new standard setting and other activities authorized in the Energy Policy Act of 1992.

ENERGY: Energy Efficiency in Federal Buildings (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	93	251	348	345	342	1,037	1,379
Outlays.................	49	152	270	329	342	800	1,142

-- Would increase energy savings in Federal buildings by making cost effective conservation investments.

-- If successful, will achieve savings of $600 million in Federal utility bills by FY 1999, if Federal and private investment continues at this rate.

-- According to DOE, may create as many as 5,000 jobs/year at peak funding levels.

ENERGY: Federal Energy Management Program (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	19	---	---	---	---	---
Outlays...............	11	7	1	---	---	---

Both Administration policy and the Energy Policy Act of 1992 require that Federal agencies reduce their energy consumption per square foot of facilities by 20 percent by the year 2000, relative to their consumption in 1985. In order to meet the 20 percent goal, the Administration proposes to ramp up spending from the current level of $150 million to over $500 million per year by FY 1996. As a first step in that increase, a total of $20 million to improve Federal facility energy efficiency is being requested as supplemental appropriations for FY 1993, divided among four agencies. The proposal provides $6 million for the Department of Energy's Federal Energy Management Program, to provide for the training of approximately 600 new energy managers and the performance of energy audits at 500 Federal sites around the country, as well as other support activities. The remaining $14 million, for actual improvement projects in Federal buildings, is distributed to the four biggest energy consuming agencies plus a central fund to service all other agencies. The individual agency appropriations will generally be in proportion to each agency's share of Federal facility energy consumption, although in this first year as an economic stimulus the ratios have been adjusted based on capability for spending the funds quickly.

ENERGY: Environmental Restoration and Waste Management (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	16	58	92	130	171	296	467
Outlays.................	8	35	70	107	146	220	366

-- Spending above the BEA baseline to clean up DOE non-defense sites and uranium enrichment facilities that were previously used in weapons production.

ENERGY: Fusion Energy Research (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	20	70	91	95	96	276	372
Outlays.................	9	39	72	90	95	210	305

- -- Fusion offers the promise of abundant energy from readily available fuels with low environmental impact.
- -- This would be the first major machine for magnetic fusion research commissioned in the United States since the early 1970's.
- -- Physics results from this machine will complement the experiments that can be done at the International Thermonuclear Experimental Reactor (ITER) the United States is planning to build jointly with Europe, Japan, and Russia.
- -- Work on this machine is vital to maintaining U.S. expertise in fusion engineering and physics and ability to participate in the ITER Project.

ENERGY: Natural Gas Research and Development -- Emphasize Utilization (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	14	49	81	119	119	263	382
Outlays.................	5	25	55	90	112	175	287

- -- Increase gas research and involve the gas industry in the planning and conduct of research and development that emphasizes high-efficiency technologies to reduce emissions of pollutants and CO_2.
- -- Provides utilization funding consistent with a greatly expanded government/industry high-efficiency gas turbines program <u>and</u> a fuel cells program that is coordinated with the private sector.

ENERGY: National Labs (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
Budget authority........	47	---	---	---	---	---
Outlays.................	22	19	7	---	---	---

Cooperative Research and Development Agreement (CRADA) are one of the mechanisms by which the national laboratories can work with industry to transfer lab-developed technology and experience to the private sector. The funds go to the labs to pay for their share of the jointly agreed-upon R&D in the CRADA. The lab work under each CRADA is proprietary to the private-sector partner, which also holds the patent rights to inventions made under the CRADA. The stimulus proposal provides an additional $47 million to fund lab activities under CRADA, over a current appropriated level of nine million. An additional $50 million per year over baseline in FY 1994-97 is also provided as part of the investment package.

ENERGY: National Labs -- Non-Defense (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	20	50	50	50	50	180	230
Outlays.................	14	35	47	50	50	146	196

-- Would increase funding for Cooperative Research and Development Agreements (CRADAs) between national labs and private industry. CRADAs are cost-shared and are designed to enhance technology transfer from the labs to the private sector.

ENERGY: Nuclear Reactor Research and Development (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
DOE							
Budget authority......	-228	-237	-247	-256	-267	-968	-1,235
Outlays...............	-103	-198	-240	-250	-260	-791	-1,051
NRC							
Budget authority......	-24	-25	-26	-27	-28	-102	-130
Outlays...............	-18	-25	-26	-27	-28	-95	-123
REC...................	24	25	9	9	9	66	76

Net budget authority..	---	---	-17	-18	-19	-35	-54
Net outlays..........	6	---	-17	-18	-19	-29	-47
TOTAL							
Budget authority......	-228	-237	-264	-274	-286	-1,003	-1,289
Outlays..............	-97	-198	-257	-268	-279	-820	-1,099

Eliminate research and development for nuclear reactors that have little realistic commercial or other value. These include the liquid metal reactor, the high-temperature gas-cooled reactor, light-water reactors that consume plutonium, and the space reactor. FY 1993 program level: $350 million.

ENERGY: Power Marketing Administration (PMA) Debt Repayment Reform (Entitlement Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
PMA Reform............	---	---	-100	-100	-100	-200	-300

Power Marketing Administration Reform Proposal.

ENERGY: Strategic Petroleum Reserves (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	---	---	---	---	---	---	---
Outlays................	-55	-58	-22	+37	+39	-98	-59

The Strategic Petroleum Reserve is a government-owned reserve of crude oil located on the Gulf coast, providing strategic protection in the event of a severe energy supply disruption. Oil fill of this reserve is funded from the spend-out of balances in the SPR Petroleum account.

This proposal reduces the SPR fill by one-third, providing a fill rate of about 13,000 barrels per day in FY 1994 and FY 1995, and 4,000 barrels per day in FY 1996-98.

ENERGY: Superconducting Super Collider (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	108	---	---	---	---	108	108
Outlays.................	108	---	---	---	---	108	-1,615

While classified as a "savings" proposal, the FY 1994 budget authority request is an increase over the FY 1993 enacted level ($640 million in FY 1994 vs. $514 million in FY 1993). The FY 1994 level, however, is about $200 million less than DOE requested for moving ahead more quickly on SSC construction.

This proposal would stretch out construction of the SSC to the extent feasible, increasing total project cost but reducing FY 1994 to FY 1998 outlays as much as possible. The SSC will keep the U.S. lead in high energy physics and will produce spin-off benefits in superconductivity.

ENERGY: Uranium Enrichment Program (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	-260	-297	-428	-418	-389	-1,403	-1,792
Outlays.................	-241	-274	-374	-386	-340	-1,275	-1,615

When DOE's uranium enrichment program becomes a government corporation on 7/1/93, it will be required to operate as a commercial business enterprise on a profitable and efficient basis. To improve the cost-effectiveness of Federal uranium enrichment-related activities, the Administration proposes to: (1) phase out (FY 1996) one of the operating plants (currently both plants are operating at less than 50 percent capacity); (2) lower the cost of power purchased for Federal enrichment activities; (3) reduce cleanup liabilities; (4) speed up the purchase of Russian highly enriched uranium (HEU); and (5) restructure advanced enrichment technology development activities. 1993 program level: $1,286 million.

ENERGY: User Fee for Foreign Customers (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-10	-10	-11	-11	-12	-42	-54
Outlays................	-10	-10	-11	-11	-12	-42	-54

DOE is required to collect from domestic utilities an annual decontamination and decommissioning (D&D) user fee of $150 million, adjusted annually for inflation. This fee would help pay for a portion of the environmental cleanup costs at DOE's three enrichment plants. Extend the application of this user fee to foreign customers by increasing the price they pay for enrichment services.

ENERGY: Vehicle Energy Conversion

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	28	---	---	---	---	---
Outlays...............	28	---	---	---	---	---

The Federal government operates approximately 375,000 light-duty vehicles (automobiles, pick-up trucks, and small vans), not including the Postal Service's vehicles. A program is already in place to purchase increasing numbers of alternative-fuel vehicles (AFVs), with seven million appropriated to DOE in FY 1993 to pay for the incremental cost of AFVs. This supplemental request would provide an additional $30 million for FY 1993, which would cover conversions of existing Federal fleet vehicles as well as additional purchases of new vehicles.

ENERGY: Weatherization Grants (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	60	100	100	100	100	360	460
Outlays.................	18	63	94	100	100	275	375

-- FY 1993 - $185 million.

-- Would increase weatherization grants to replace energy consumption.

-- A requirement for a 1:1 matching by State or utility funds for these increases would encourage States to take advantage of utility demand-side management programs in their weatherization activities.

ENERGY: Weatherization (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
Budget authority........	47	---	---	---	---	---
Outlays.................	14	26	7	---	---	---

The Weatherization Assistance Program is currently funded at $185 million for FY 1993. This stimulus initiative provides $47 million in FY 1993 to develop a program in which states provide matching funds for weatherization activities. This will be accompanied by an investment initiative of an additional $100 million above baseline in FY 1994 through FY 1997. This will give additional leverage to the Federal funds, and will encourage States to take advantage of utility demand-side management programs in their weatherization activities.

EXECUTIVE OFFICE OF THE PRESIDENT

EXECUTIVE OFFICE OF THE PRESIDENT: ONDCP Staff (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority......	-20	-23	-27	-30	-32	-100	-132
Outlays...............	-10	-22	-26	-29	-31	-87	-118

This option would reduce ONDCP staff and expenses, producing savings in salaries, travel, research and development, and other expenses. While ONDCP is not a part of the White House Staff, this reduction is consistent with the Administration's goal of a 25 percent reduction in staff. This item is not included in the "White House Staff" option. Reduction will have minimal impact upon present career staffing levels. A significant number of political appointees have vacated most of the positions to be cut. The remainder should be reduced through career staff attrition, which has averaged 15 percent each year.

EXECUTIVE OFFICE OF THE PRESIDENT: White House Staff (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority......	-10	-10	-11	-11	-12	-42	-54
Outlays...............	-10	-10	-11	-11	-12	-42	-54

Putting People First pledged to "reduce the White House staff by 25 percent and challenge Congress to do the same." The savings identified above tie to those in Putting People First ($10 million for White House/$100 million for Congress), but are increased for inflation.

HEALTH AND HUMAN SERVICES

HHS: AIDS (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	200	---	---	---	---	---
Outlays..............	152	48	---	---	---	---
Outyear Funding Requirements						
Budget authority......	---	200	300	375	450	475
Outlays..............	---	100	220	314	394	446

This proposal would increase funding for grants authorized under the Ryan White Act. These funds may be used to support additional medical care and support services, including outpatient ambulatory health and inpatient case management services for HIV/AIDS patients. Ryan White Act grants may also support AIDS prevention activities, as well as counseling, testing, and partner notification.

HEALTH AND HUMAN SERVICES: AIDS -- Ryan White Act (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	120	300	375	450	475	1,245	1,720
Outlays.................	60	192	305	392	445	949	1,394

-- FY 1993 - $348 million. The above increases would provide sufficient resources to substantially fund the Ryan White Act by FY 1996.

-- An additional $75 million for Ryan White Act Title I grants would increase the average Title I grant to a qualified city from $3.6 million to $5.1 million in FY 1993. Without the supplemental, Title I formula grants range from a high of $28.6 million (New York City) to a low of $624,000 (Ponce, PR). With a $75 million supplemental, formula grants would range from a high of $40.2 million (New York City) to a low of $876,000 (Ponce, PR).

-- Based upon expectations for the Ryan White Act when enacted in 1990, the funding path inherent in this proposal would substantially achieve full funding by FY 1996.

-- In FY 1993, CDC will spend an estimated $144 million on minority AIDS prevention activities ($48 million) and on assisting states conduct counseling, testing and partner notification ($97 million). An additional $85 million will increase total funds for both programs by 59 percent.

HEALTH AND HUMAN SERVICES: AIDS, Women's Health, Immunizations, NIH Research, and other Public Health Initiatives (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	1,272	2,739	3,321	3,911	5,203	11,243	16,446
Outlays.................	346	1,660	2,806	3,370	4,251	8,182	12,433

-- FY 1993 - $10.3 billion - NIH
$342 million - CDC

-- The funds could allow NIH to make additional progress toward development of treatments and cures for many diseases, including cancer, heart disease, stroke, diabetes, AIDS, infant mortality and to focus on diseases that particularly afflict women and minorities.

-- Increased funding for CDC immunizations state grants could avert some of the health care costs associated with treating vaccine preventable diseases in both children and the elderly such as measles and pneumonia.

-- Targeted use of outreach workers could help bring children under age two (particularly in low-income urban areas) into health clinics for immunizations at the recommended intervals.

-- Establishment of additional community health clinics could make preventive health care more readily accessible to children whose families might not otherwise be able to bring them in for care or who may lack the resources to finance care.

-- Using the enrolled child as a link to families who do not otherwise regularly seek health care, community health clinics in school based settings could also help to refer other family members to local health providers.

-- Would create an estimated 4,100 new jobs in FY 1994 and 15,100 by FY 1998.

HEALTH AND HUMAN SERVICES: Ban Physician Self-Referrals (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	-50	-100	-100	-100	-250	-350

Physicians cannot refer a Medicare of Medicaid patient to a clinical laboratory in which the physician, or the physician's relative, has a financial interest. Several exceptions are specified in statute. This proposal would extend ownership and referral prohibitions to additional services such as: physical and occupational therapy, durable medical equipment, and parenteral/enteral nutrition equipment and supplies.

HEALTH AND HUMAN SERVICES: Child Care and Development (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	40	115	160	215	265	530	795
Outlays.................	30	95	145	200	250	470	720

-- The proposal increases funding for the Child Care and Development Block Grant (CCDBG). States may use the additional funding to provide day care to low income families, and increase the availability and quality of day care. The proposal will give States $.2 billion in extra funding in FY 1997, and $.5 billion over four years.

HEALTH AND HUMAN SERVICES: Child Support Enforcement (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-27	-80	-112	-109	-177	-328	-505

This option would:

- -- Use the IRS to collect seriously delinquent child support
- -- Require employees to report child support obligations on IRS W-4 forms
- -- Improve medical support enforcement
- -- Simplify and accelerate paternity processes

- -- Improve Federal Parent Locator Service
- -- Streamline Interstate child support enforcement

Apart from Federal savings on welfare benefits, increased child support collections will benefit the poor and the near poor. States should also save substantial portions of their share of welfare costs. Estimates shown reflect only partial savings. Expected total savings will be much larger.

HEALTH AND HUMAN SERVICES: Direct Medical Education (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-350	-340	-340	-330	-320	-1,360	-1,680

In total, the FY 1993 Medicare Part A outlays are projected to be $90.2 billion. This proposal would save 0.3 percent of the FY 1994-98 hospital baseline. The proposal would base direct medical education (DME) payments on a national per resident amount derived solely from the average of salaries paid to residents. DME payments would reflect differential weighting of the national average resident salary based on the area of specialty and period of training. The average weight would be 175 percent of the national average resident salary compared to an average weight of about 215 percent under current law.

HEALTH AND HUMAN SERVICES: Durable Medical Equipment Options (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-75	-125	-150	-160	-175	-510	-685

In total, FY 1993 Medicare Part B outlays were projected to be $59.8 billion. This proposal would save 4.7 percent of the FY 1994-98 baseline for durable medical equipment (DME), prosthetics, and orthotics. This proposal would create new fee schedule methodologies for setting reimbursement levels for DME, prosthetics and orthotics, and parenteral and enteral nutrients, supplies and equipment, by setting a cap on all fee schedules based upon the national median, rather than the average, of all fee schedules. In addition, this proposal would allow beneficiaries to purchase aspirators and nebulizers, instead of requiring monthly rental payments for up to 15 months. Medicare reimbursement for DME currently is excessive in many cases; these proposals would set rates at more reasonable levels.

HEALTH AND HUMAN SERVICES: Eliminate Return-on-Equity Payments for Skilled Nursing Facilities (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-110	-140	-150	-160	-170	-560	-730

In total, FY 1993 Medicare Part A outlays are projected to be $90.2 billion. This proposal would save 0.1 percent of the FY 1994-98 Part A baseline. The proposal would eliminate the Medicare payment policy that pays proprietary skilled nursing facilities (SNFs) a return on equity (ROE) invested in the SNF. Proprietary SNFs are the only class of Medicare provider eligible to receive ROE payments. Medicare should pay based on the type of services provided, not based on the type of provider.

HEALTH AND HUMAN SERVICES: Food and Drug Administration User Fees (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-200	-250	-300	-350	-400	-1,100	-1,500
Outlays................	-167	-230	-285	-336	-387	-1,018	-1,405

Identifiable beneficiaries of government services should pay at least the full cost to the government of providing those services. FDA's approval and inspection functions: (1) create public confidence in marketed drugs, medical devices, and food additives, and (2) establish a U.S. Government "Seal of Approval" that is recognized internationally. This option begins to recover some of the private benefit that accrues to these industries.

HEALTH AND HUMAN SERVICES: Head Start (Investment Proposal)

Program growth	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority......	785	1,571	2,358	3,143	3,926	7,857	11,783
Outlays...............	377	1,142	1,927	2,713	3,497	6,159	9,656

<u>Related Medicaid</u>							
Budget authority......	17	49	93	116	142	275	417
Outlays...............	17	49	93	116	142	275	417
<u>Related Child and Adult Care Food Program - Agriculture</u>							
Budget authority......	58	118	177	237	297	590	887
Outlays...............	51	110	169	229	289	559	848

-- FY 1993 - $2,776 million.

-- Would employ an estimated 82,000 additional Head Start staff by FY 1999, an estimated 36 percent of whom are current or former parents of Head Start children.

-- In FY 1999, Head Start funding would be $7.9 billion (BA).

-- The Department of Agriculture pays for all meals and snacks to children in Head Start.

HEALTH AND HUMAN SERVICES: Head Start (Investment Proposal)

<u>Summer</u>	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority......	514	527	540	554	567	2,135	2,702
Outlays...............	437	525	538	552	565	2,052	2,617
<u>Related Child and Adult Care Food Program - Agriculture</u>							
Budget authority......	58	60	63	66	69	247	316
Outlays...............	50	60	63	66	69	239	308

-- Gives three months more Head Start experience for an estimated 350,000 disadvantaged children, giving extra time to help children become prepared to begin school.

-- Would provide employment each summer for an estimated 50,000 Head Start staff, an estimated 36 percent of whom are current or former parents of Head Start children.

-- Summer Head Start would give three more months of health care and feeding to disadvantaged children, as well as coordination with childhood immunizations activities proposed by the Clinton/Gore plan.

-- The Department of Agriculture pays for all meals and snacks to children in Head Start.

HEALTH AND HUMAN SERVICES: Head Start (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	500	---	---	---	---	---
Outlays...............	425	75	---	---	---	---
Outyear Funding Requirements						
Budget authority......	---	514	527	540	554	567
Outlays...............	---	437	525	538	552	565
Related Child and Adult Care Food Program (Agriculture)						
Budget authority........	56	---	---	---	---	---
Outlays.................	48	8	---	---	---	---
Outyear Funding Requirements						
Budget authority......	---	58	60	63	66	72
Outlays...............	---	50	60	63	66	72

This proposal would give an additional three months of Head Start experience to up to 350,000 disadvantaged children, giving them more time to prepare to begin school. This supplemental would provide summer employment for up to 50,000 Head Start staff, an estimated 36 percent of whom are current or former parents of Head Start children. The Department of Agriculture pays for all meals and snacks served to children in Head Start.

HEALTH AND HUMAN SERVICES: Home Health Agencies (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-160	-200	-230	-250	-280	-840	-1,120

In total, FY 1993 Medicare Part A outlays are projected to be $90.2 billion. The proposal would save 0.2 percent of the FY 1994-98 hospital baseline. The proposal would eliminate the add-on payment that hospital-based Home Health Agencies (HHAs) receive in addition to payment under Medicare cost limits. Medicare cost allocation rules require hospitals to allocate overhead to each cost center. Research has shown that many hospital-based HHAs do not need the add-on payment to be financially viable. Eliminating the add-on would create a more level playing field for all HHAs at a time when demand for home health services is increasing rapidly.

HEALTH AND HUMAN SERVICES: Immunizations (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	300	---	---	---	---	
Outlays...............	236	64	---	---	---	---

This proposal adds funding for an immunization initiative targeted at children through the national vaccine program. This proposal would finance specifically: a community-based information and outreach effort, vaccine purchase, personnel expenses, vaccine safety and research, and the development of a national tracking system.

HEALTH AND HUMAN SERVICES: Low-income Home Energy Assistance Program (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	---	333	667	1,000	1,000	2,000	3,000
Outlays.................	---	316	649	982	998	1,947	2,945

-- This proposal, in conjunction with proposals for the Food Stamp program (Agriculture) and the Earned income tax credit (Treasury), would offset some of the regressiveness associated with the proposed energy tax.

HEALTH AND HUMAN SERVICES: Medicaid -- Mandatory Medicaid Care (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	-1,190	-1,355	-1,540	-1,760	-4,085	-5,845

Total Federal Medicaid outlays for FY 93 are projected to be $80.3 billion. This proposal would save approximately 0.9 percent of the FY 94-98 Medicaid baseline. The Medicaid statute requires States to provide home health services to all individuals who are eligible for nursing facility services. Currently, States also have the *option* to provide personal care services to these individuals. Due to an apparent drafting error, OBRA-90 designated personal care as a type of home health service. Therefore, coverage of personal care services will be mandatory for all States in FY 1995 if Congress does not amend the statute.

HEALTH AND HUMAN SERVICES: Medicaid -- Remove Prohibition on Drug Formularies (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-10	-15	-20	-25	-30	-70	-100

Repeal the OBRA 90 statutory provisions that prohibit States from using formularies in the management of their Medicaid programs. State Medicaid agencies use formularies (listings of drugs) to indicate which drugs are covered by their programs. Before OBRA 90, States were allowed to limit the number of drugs listed on their formularies, e.g., States could cover only the generic alternative of a multiple-source drug. OBRA 90 required States to cover all drugs of manufacturers that have signed rebate agreements with HCFA: in effect, all drugs. The OBRA 90 formulary restriction resulted in increased expenditures for States and the Federal government.

HEALTH AND HUMAN SERVICES: Medicaid -- Tighten Estate/Asset Rules (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-25	-80	-135	-155	-170	-395	-565

Total Federal Medicaid outlays for FY 93 are projected to be $80.3 billion. This proposal would save approximately 0.1 percent of the FY 94-98 Medicaid baseline. This proposal would strengthen transfer-of-asset rules to restrict further the giving away of property to qualify for Medicaid. In addition, the Federal government would require States to operate estate recovery programs and would enhance States' abilities to implement these programs.

HEALTH AND HUMAN SERVICES: Medicare -- Clinical Laboratory Fees (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-30	-110	-220	-380	-570	-740	-1,310

In total, FY 1993 Medicare Part B outlays are projected to be $59.8 billion. This proposal would save 3.6 percent of projected FY 1994-98 outlays for laboratories under Part B. This proposal would extend the 2 percent update of Medicare rates for clinical laboratory services. OBRA 90 established a 2 percent update through the end of 1993, after which laboratory fees would be updated by the urban component of the Consumer Price Index (CPI-U), approximately 3.5 percent annually. Medicare payments to laboratories should more closely reflect decreased costs due to technological advances, such as increased automation, and changes in the market, such as lower cost equipment.

HEALTH AND HUMAN SERVICES: Medicare -- Electronic Billing Incentive (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	---	-90	-175	-175	-265	-440

In total, Medicare Part B outlays were projected to be $59.8 billion in FY 1993. The proposal would save 0.1 percent of the FY 1994-98 Medicare Part B baseline. This proposal would encourage physicians and other Part B providers to submit claims via the more administratively efficient electronic filing by charging physicians and other them $1 for each paper claim filed. The proposal would not take effect until January 1, 1996, to give providers lead time to adjust their filing systems. Medicare reimbursement would be reduced by $1 for each paper claim.

HEALTH AND HUMAN SERVICES: Medicare -- Hospital Inpatient Capital Payments (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	---	-300	-380	-420	-680	-1,100

In total, the FY 1993 Medicare Part A outlays are projected to be $90.2 billion. The proposal would save 0.2 percent of the FY 1994-98 hospital baseline. The proposal would extend current law beyond FY 1995. Hospitals receive payments for Medicare's share of capital expansions and improvements. The current payment level was reduced in OBRA 90 by 10 percent. Hospital capital expansion is beyond needed community levels. Medicare should continue to reduce its payments as an incentive to match community need with hospital expansion.

HEALTH AND HUMAN SERVICES: Medicare -- Hospital Outpatient Department Capital Payments (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	---	-110	-150	-170	-260	-430

In total, the FY 1993 Medicare Part B outlays were projected to be $59.8 billion. This proposal would save 0.5 percent of the FY 1994-98 outpatient services base. The proposal would extend current law beyond FY 1995. Hospitals receive payments for Medicare's share of capital expansions and improvements. The current payment level was reduced in OBRA 90 by 10 percent. Hospital capital expansion is beyond needed community levels. Medicare should continue to reduce its payments as an incentive to match community need with hospital expansion.

HEALTH AND HUMAN SERVICES: Medicare -- Inpatient Services by Hospital-Based Physicians (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	-80	-150	-160	-180	-390	-570

In total, the FY 1993 Medicare Part B outlays is projected to be $59.8 billion. The proposal would save 0.43 percent of the FY 1994-98 physician baseline. Include payment for radiology, anesthesia, and pathology (RAP) services as an add-on to the hospital DRG payment. Separate billing by physicians for these services would not be allowed. Since hospitals select RAPs who will provides services, they are in a better position than either patients or insurers to negotiate payment rates with these hospital-based physicians. Competition would be introduced since hospitals could market their institutional and professional services based on their acceptance of Medicare allowable fees as payment in full.

HEALTH AND HUMAN SERVICES: Medicare -- Laboratory Rates (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-390	-690	-890	-1,120	-1,390	-3,090	-4,480

In total, FY 1993 Medicare Part B outlays are projected to be $59.8 billion. The proposal would save 17.7 percent of projected FY 1994-98 outlays for laboratories under Part B. The proposal would limit the Medicare Part B laboratory fee schedule to 76 percent of the median of all fees. The current maximum level is 88 percent of the median of all fees. Later, based on market surveys, the Secretary of HHS would adjust Medicare rates to laboratories to reflect technological changes and other factors. Medicare payments for lab tests are excessive.

HEALTH AND HUMAN SERVICES: Medicare and Medicaid Interactive Effects (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
+160	+200	+490	+940	+1,410	+1,790	+3,200

These amounts REDUCE total gross Medicare savings to reflect actuary-priced interactions of all proposals. The interactions include both interactions within the Medicare and the Federal Medicaid offsets.

HEALTH AND HUMAN SERVICES: Medicare -- Outpatient Services (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	---	-425	-525	-600	-950	-1,550

In total, the FY 1993 Medicare Part B baseline is projected to be $59.8 billion. This proposal would save 1.7 percent of the FY 1994-98 outpatient services base. OBRA '90 reduced Medicare reimbursement for hospital outpatient department (OPD) reasonable costs by 5.8 percent through 1995. This proposal would extend that provision indefinitely.

HEALTH AND HUMAN SERVICES: Medicare -- Outpatient Services (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	---	-315	-375	-425	-690	-1,115

In total, Medicare Part B outlays were projected to be $59.8 billion in FY 1993. The proposal would save 0.5 percent of the FY 1994-98 outpatient services base. Currently, Medicare reimbursement for outpatient services is based in part on the OPD's reasonable costs minus 5.8 percent, while reimbursement for outpatient capital costs is reduced by 10 percent. This proposal would reduce reimbursement for OPD services by an additional 4.2 percent beginning in 1996, to a 10 percent reduction. This would make payment for both categories consistent by reimbursing both at 90 percent of costs.

HEALTH AND HUMAN SERVICES: Medicare -- Part B Premiums (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	---	-1,145	-3,870	-6,560	-5,015	-11,575

In total, FY 1993 Medicare Part B premium collections will be $14.5 billion. Beginning in January 1996, the monthly Part B premium would be set to maintain the percentage of program costs covered in 1995, but with a ceiling of 27 percent. Without implementing this proposal, the Federal share of program costs will rise from approximately 75 percent to 80 percent in 1998.

HEALTH AND HUMAN SERVICES: Medicare -- Payments for EPO (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-30	-40	-40	-50	-50	-160	-210

In total, the FY 1993 Medicare Part B outlays are projected to be $59.8 billion. The proposal would save .054 percent of the FY 1994-98 Part B baseline. The proposal would reduce the amount Medicare pays for epoietin (EPO) from $11 per 1,000 units to $10 per 1,000 units. EPO is the drug used by patients suffering from kidney failure, to counter anemia by increasing the body's production of red blood cells. Medicare is the dominant purchaser of this drug. Medicare is virtually the sole purchaser of EPO and should exercise its market power to attain the lowest possible cost while maintaining access for all Medicare beneficiaries.

HEALTH AND HUMAN SERVICES: Medicare -- Payments to Hospitals for Inpatient Care (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-1,000	-1,140	-1,180	-1,290	-1,420	-4,610	-6,030

In total, the FY 1993 Medicare Part A outlays are projected to be $90.2 billion. The proposal would save 1.2 percent of the FY 1994-98 hospital baseline. Medicare payments to hospitals for inpatient care are updated October 1 of each year. Most other Medicare services are updated January 1 or July 1. This proposal would move the hospital update to January 1. Substantial lead time is needed by hospitals, HHS, and its Medicare contractors to implement changes in hospital payment legislated by Congress. Since 1983, there have been 17 rather than the expected 9 annual updates. Congressional delays, sequesters, and changes in statute have forced virtually all 6,000 hospitals, Medicare fiscal intermediaries, and HCFA to change their payment formulas almost twice as many times as would have been necessary under the January 1 update.

HEALTH AND HUMAN SERVICES: Medicare -- Payments to Teaching Hospitals (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	---	-580	-1,360	-1,600	-1,940	-3,540

In total, FY 1993 Part A outlays are projected to be $90.2 billion. This proposal would save 0.7 percent of the FY 1994-98 hospital baseline. The proposal would reduce the indirect medical education (IME) adjustment for teaching hospitals from a 7.07 percent additional payment to the Medicare DRG to 5.65 percent for each .1 increase in the intern and resident to bed ratio. Research has found that teaching hospitals are earning large margins on their Medicare payments, due principally to the IME adjustment. The adjustment overcompensates teaching hospitals for the costs of educating residents and treating a higher patient case mix.

HEALTH AND HUMAN SERVICES: Medicare -- Secondary Payor Provisions (Entitlement Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
MSP for the disabled..........	---	---	-650	-960	-1,085	-1,610	-2,695
MSP for End Stage Renal Disease......................	---	---	-35	-35	-35	-70	-105
IRS/SSA data match for MSP.....	---	---	-45	-120	-205	-165	-370
Total...................	**---**	**---**	**-730**	**-1,115**	**-1,325**	**-1,845**	**-3,170**

In total, Medicare outlays will be $149 billion in FY 1993. This proposal would save 0.3 percent of the FY 1994-98 Medicare baseline. Proposal extends three OBRA '90 Medicare Secondary Payor provisions due to expire at the end of FY 1995. Since savings from these current laws are already taking place, extending them will generate little opposition compared to new reductions.

HEALTH AND HUMAN SERVICES: Medicare -- Secondary Payer Reforms (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-127	-240	-275	-305	-345	-947	-1,292

In total, Medicare outlays were projected to be $150 billion in FY 1993. The proposal would save less than 0.2 percent of the FY 1994-98 Medicare baseline. This proposal would revise conditions under which Medicare is the secondary payer (MSP) to apply consistently to the aged, disabled and end stage renal disease patients. All Medicare enrollees with private, employer-based health insurance -- aged, disabled and ESRD -- would use their private health insurance as primary payer if it is provided by an employer with 20 or more employees. In addition, provisions for the disabled would be liberalized to tie directly to employment status, as is the case with the aged provisions. Other changes would improve enforcement and administration of MSP provisions.

HEALTH AND HUMAN SERVICES: Medicare -- Volume Performance Standards (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	---	-200	-650	-1,225	-850	-2,075

Two factors determine aggregate physician payment levels -- the default formula and the default update. The proposal would reduce the Medicare volume performance standard (MVPS) "default" formula by increasing the "performance standard factor" to 3 1/2 percentage points for FY 1994, and 4 percentage points for FY 1995 and thereafter; currently the performance standard factor is 2 percentage points. The performance standard factor is the amount that the "effective" baseline rate of increase is reduced. In addition, the proposal would reduce the "default" update by increasing the restriction on downward adjustments to 5 percentage points for CY 1995 and thereafter; currently, the maximum reduction in the update is 3 percentage points.

HEALTH AND HUMAN SERVICES: National Institutes of Health (High Performance Computing and Communications) (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
Budget authority........	9	---	---	---	---	---
Outlays.................	6	3	---	---	---	---

Funds are included to develop applications of advanced computer and networking technology for health care. Based on a bill introduced in 1992 by Vice President Gore, this investment would expand the multi-agency High Performance Computing and Communications initiative. At NIH, the specific applications would include networks to link hospitals, doctor's offices, and universities so health care providers and researchers can share medical data and imagery, such as CAT scans and X-rays. NIH would also develop new software for manipulating medical imagery and data.

HEALTH AND HUMAN SERVICES: Non-Primary Care Doctor Fees (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-200	-300	-350	-400	-425	-1,250	-1,675

For CY 1994, give full physician fee schedule update for primary care services, and 2 percentage points less than the full update for all other physician services.

HEALTH AND HUMAN SERVICES: Parenting and Family Support (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	60	100	300	600	600	1,060	1,660
Outlays.................	40	85	230	495	600	850	1,450

-- By FY 1997, up to $500 million would be set aside to respond to emerging issues in parenting and family support. Could include activities that help disadvantaged parents work with their children at home.

-- Greater access to family planning services may prevent unwanted pregnancies. Some studies attribute reductions in infant mortality achieved over the last 20 years in part to effective family planning.

-- One study has indicated that each dollar invested in prenatal care for high-risk women might save $3 in health treatment costs.

-- Parenting classes can help new parents cope with the stresses of parenthood. Those prepared for parenthood are more likely to provide their children with a nurturing home environment and build an ethic of learning at home.

HEALTH AND HUMAN SERVICES: Public Health Service -- Health Professions Curriculum Assistance Grants (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-27	-28	-29	-30	-31	-114	-145
Outlays................	-14	-21	-25	-27	-29	-87	-116

In each year, target available curriculum assistance grant dollars toward primary care, nursing, and the effective elements of disadvantaged student assistance. Reduce funding for those programs not specifically targeted to the disadvantaged, or that do not train primary care physicians or nurses.

HEALTH AND HUMAN SERVICES: Resource-based Physician Practice Expense (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-100	-350	-700	-875	-950	-2,025	-2,975

Phase-in a resource-based system for practice expenses under the physician fee schedule beginning in 1997 (consistent with the forthcoming 1993 PPRC recommendation to Congress). The physician fee schedule includes components for physician practice or "overhead" expense, work value, and malpractice costs. The proposal is to develop methods and details to implement a resource-based system for practice expenses between now and 1997. In addition, it would reduce the practice expense relative value units on 1/1/94, 1/1/95, and 1/1/96, by one-quarter of the distance between practice expense and physician work relative value units. Annual reductions would cease when practice expense relative value units were less than or equal to 110 percent of work relative value units.

HEALTH AND HUMAN SERVICES: Rural Health Initiative (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	50	55	10	---	---	115	115
Outlays.................	50	55	10	---	---	115	115

-- Would extend demonstration projects for limited-service rural hospitals.

-- Would continue special payments for small, rural Medicare-dependent hospitals for discharges occurring through September 30, 1994. Current payments would apply for discharges before April 1, 1993 and modified payments through September 30, 1994. Medicare-dependent hospitals would be able to decline a reclassification from the Medicare Geographic Classification Review Board for FY 1993 and retain their status as Medicare-dependent.

-- Would allow all hospitals classified as regional referral centers as of September 30, 1992, to retain such status through September 30, 1994. Some hospitals lost regional referral center status as a result of a reclassification decision by the Medicare Geographic Classification Review Board for FY 1993. This proposal would allow those hospitals the opportunity to decline the reclassification and retain referral center status.

HEALTH AND HUMAN SERVICES: Single Fee for Surgery (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-50	-100	-110	-120	-130	-380	-510

Subject to certain exceptions, pay the same amount for a surgery, regardless of whether or not the primary surgeon elects to use an assistant-at-surgery to whom Medicare makes a separate payment. The Medicare payment for the primary surgeon would be reduced by the payment for the assistant-at-surgery.

HEALTH AND HUMAN SERVICES: Social Security Administration (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Obligation Limitation.	302	---	---	---	---	---
Outlays..............	302	---	---	---	---	---
Outyear Funding Requirements						
Budget authority......	---	200	200	200	200	200
Outlays..............	---	200	200	200	200	200

Of the $302 million, roughly $200 million of the supplemental funds would be used for overtime, systems investment, and reducing the backlog of cases in the Office of Hearings and Appeals. The remainder would be used to purchase workstations, administrative systems software, telecommunications equipment, improve field office access for the disabled, replenish inventories, mainframe computer acquisition, and implement the recent coal miners legislation.

HEALTH AND HUMAN SERVICES: Social Security Administration -- Improving Disability Insurance Processing (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Administrative limitation...........	60	100	100	100	100	360	460
Budget authority........	60	100	100	100	100	360	460
Outlays................	120	200	200	200	200	720	920

-- Claims for Social Security and Supplemental Security Income disability benefits have increased dramatically in recent years, leading to significant delays in processing times and a general decline in service. The $200 million per year will maintain faster processing. The funds will be used primarily for overtime, system investment, and reducing the backlog of cases in the Office of Hearings and Appeals.

SOCIAL SECURITY ADMINISTRATION: Supplemental Security Income (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-50	-110	-180	-180	-190	-520	-710

Charge states for the Federal administration of their state supplement to the Federal Supplemental Security Income (SSI) benefit. Currently, SSA administers supplements for "27 states" and the District of Columbia. This proposal gradually phases in a monthly $5 per beneficiary administrative fee over three years ($1.67 in FY 1994, $3.33 in FY 1995 and $5.0 in FY 1996 and thereafter.) Since 1974, the federal government has administered state supplements for free. Each state bases its benefit on different criteria, which makes administration complicated and costly.

California and New York's shares would be 41 percent and 20 percent respectively, as these states have the most beneficiaries. As with virtually any option to change State welfare programs, States may claim that they will cut welfare benefits in response. Under current law there are limits to state reductions in SSI supplemental benefits (Section 1618(a)(4) of the Social Security Act). If states were to reduce benefits by amounts equal to the Administrative fee, there would be no impact on the state.

Unless California and New York specifically object, the National Governor's Association has stated that it will not oppose this fee.

HEALTH AND HUMAN SERVICES: Substance Abuse Prevention and Treatment (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority......	90	300	550	900	900	1,840	2,740
Outlays...............	46	207	456	797	933	1,506	2,439

-- FY 1993 - $1.1 billion (HHS only).

-- Would finance treatment for approximately 60,000 additional people in FY 1994 and 350,000 additional people by FY 1997.

-- Adding treatment capacity will support approximately 2,500 jobs in FY 1994 and 14,100 jobs by FY 1997. HHS will evaluate State proposals on the basis of: (1) demonstrated need for new targeted treatment; (2) whether the State intends to provide treatment for pregnant women and/or women with children; and (3) the amount of State funds dedicated to the creation of such treatment.

-- States would be free to determine eligibility and design treatment services to fit local needs.

-- The competitive design of this proposal would both encourage States to dedicate more of their own funds to drug treatment and improve the States' incentive to ensure that funds are spent on effective programs.

HEALTH AND HUMAN SERVICES AND OTHERS: Third Party Liability (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	-150	-250	-400	-450	-800	-1,250

Taxpayers spend over $1.5 billion a year for health care that should be paid for by others. Inappropriate payments have been identified in most Federally-assisted or financed health programs including: Medicare, Medicaid, Veterans Affairs Health, CHAMPUS/DOD Direct Care, and the Indian Health Service. This proposal removes many of the structural impediments hindering proper identification and billing of third party liability (TPL) by: (1) requiring employers to report employment based health coverage data annually on the W-2; (2) granting access to this data to all federally-assisted and financed health programs; (3) reinforcing existing coordination of benefits (which payer pays and in what order) laws and regulations; and (4) removing impediments that hinder states from collecting from private insurers. Rather than the current "pay and chase" procedures where federal programs pay first and chase payers afterwards, this proposal focusses on avoiding erroneous payments by identifying the appropriate coverage *before* payment.

HEALTH AND HUMAN SERVICES: Welfare -- Administrative Matching Rates (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-200	-480	-530	-580	-630	-1,790	-2,420

In FY 1993, administrative costs for AFDC, Medicaid, and Food Stamps totaled about $5.2 billion. This option sets the current differential Federal match rates for AFDC, Medicaid, and Food Stamps administrative costs at 50 percent of States' costs. There will be waivers for States in hardship cases.

Now, States try to allocate costs from State to Federal programs, and to programs with the highest matching rates. GAO found that enhanced Federal match rates caused purchase of costlier automated systems, some of which failed. Three States spend almost $30 million before canceling failed projects. States generally no longer need enhanced match rates for computerization. They have had over a decade to automate AFDC systems, and most have done so. Almost all States also have automated Food Stamps and Medicaid systems. Federal staff spend much of their time making sure States properly allocate administrative costs. A uniform match rate reduces the administrative burden of tracking and allocating costs that currently get differential match rates.

HOUSING AND URBAN DEVELOPMENT

HOUSING AND URBAN DEVELOPMENT: Community Development Block Grant Program (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	90	150	150	150	150	540	690
Outlays.................	4	41	100	137	148	282	430

-- FY 1993 - $4 billion.

-- CDBG can be used to rebuild roads, bridges, water and sewage treatment plants, and other ready to go projects.

-- CDBG funds directly help fund local economic and community development projects that benefit low- and moderate-income residents.

-- Because recipients can select eligible activities most appropriate to their local circumstances, the program has broad-based support within Congress, and among mayors and governors.

-- 10 percent increase in flexible block grant to support mayors' local public works expansion.

HOUSING AND URBAN DEVELOPMENT: CDBG (Community Development Block Grants) (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	2,536	---	---	---	---	---
Outlays...............	659	1,319	558	---	---	---

The proposal would provide a one-time supplemental appropriation for CDBG to allow large cities, States, and Indian Tribes to find the most urgently needed local public works and public service projects. The supplemental will include modifications to the regular CDBG program designed to insure that communities undertake projects that will have an immediate effect on the economy. Because recipients can select eligible activities most appropriate to their local circumstances, the program has broad-based support within Congress, and among mayors and governors.

HOUSING AND URBAN DEVELOPMENT: Enterprise Zones -- Tax Incentives (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	---	---	---	---	---	---	---
Outlays.................	73	347	772	1,228	1,699	2,420	4,119

-- New Program. No Federal tax expenditures authorized previously.

-- Tax incentives and spending provisions would compensate for the higher risks and potential costs associated with operating businesses in distressed areas.

-- 50 zones in total proposed over next five years -- 30 urban, 15 rural, 5 Indian reservations.

-- To be designated, localities must nominate areas and commit to local course of action that lowers local barriers and increases support for investment.

-- Includes employer wage credit and expansion of targeted jobs tax credit.

-- Includes several investment incentives designed to encourage individuals to invest in zones.

-- Some evaluations of State enterprise zone programs (e.g., New Jersey and Indiana) have demonstrated the efficiency of various tax incentives.

HOUSING AND URBAN DEVELOPMENT: FHA Insurance Reforms (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-28	-66	-78	-81	-83	-253	-336

The Department of Housing and Urban Development (HUD) provides mortgage insurance through its FHA programs to help low and moderate income homebuyers obtain mortgage financing and to help owners and developers finance the construction or rehabilitation of low and moderate income rental properties. The Congress enacted reforms in the 1990 National Affordable Hosing Act (NAHA) to restore the single family FHA insurance program to an actuarially sound financial position. Unfortunately, the original financial goals established in NAHA have not yet been achieved and further reforms appear necessary. In addition, HUD continues to encounter major losses in its insurance for multifamily properties. Legislative and regulatory impediments, as well as poor management, have added to these excessive insurance losses. Reforms will be proposed to help reduce these insurance losses and reestablish these FHA insurance programs as effective government financing vehicles. Savings from these reforms are expected to reduce spending by $81 million in 1997 and by $336 million between 1994 and 1998.

HOUSING AND URBAN DEVELOPMENT: Fees Paid to Public Housing Authorities (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget Authority.........	-6	-11	-18	-24	-25	-59	-84
Outlays..................	-40	-85	-136	-193	-204	-454	-658

Reduces HUD's administrative fees to local entities (3,000 Public Housing Authorities) for administering federal housing subsidy programs. GAO and HUD studies determined that current fees paid exceed the cost of services provided. This proposal would reduce the fees to levels more consistent with service cost, from 7.65 percent to 6.00 percent by FY 1997. Program level of about $710 million in outlays in 1993.

HOUSING AND URBAN DEVELOPMENT: HOME investment partnership program (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	---	---	---	---	---	---
Outlays...............	---	---	---	---	---	---

This proposal would accelerate spending of funds already appropriated under the HOME program by implementing regulatory and statutory changes to increase participant flexibility in using the program and developing information and training programs to improve public understanding of the program. In 1992 and 1993 Congress enacted a total of $2.5 billion of funding for the HOME program. To date, recipients have outlayed only 2 percent of the funds.

HOUSING AND URBAN DEVELOPMENT: HOME Program (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-1,109	-1,148	-1,189	-1,230	-1,273	-4,676	-5,949
Outlays................	-1	+29	-56	-150	-474	-178	-652

Eliminate funding for all HUD new construction (PIH, Elderly/Disabled) in FY 1994; shift 70 percent of the budget authority savings to the HOME program. (States/locals will contribute the 30 percent difference because of match requirement in HOME program.) Program level in FY 1993 is $1,966 million.

The HOME program allows State and local officials to determine the kind of housing assistance (new construction, rehabilitation, tenant assistance) that best meets local needs. Because of the 30 percent local matching requirement for HOME funds, the transfer to HOME would not necessarily reduce the amount of resources dedicated to construction of low-income housing. However, states and localities may use HOME funds for non-new construction low-income housing assistance.

HOUSING AND URBAN DEVELOPMENT: HOPE Youthbuild (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	48	80	80	80	80	288	368
Outlays.................	---	5	19	34	48	58	106

-- This program will employ economically disadvantaged young adults in rehabilitating uninhabitable public and other low-income housing.

-- Proposal will expand supply of affordable housing for the homeless and low-income renters.

-- Enables unemployed youth to obtain education and employment skills necessary to achieve self-sufficiency.

HOUSING AND URBAN DEVELOPMENT: Housing Vouchers - 100 Percent (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	357	968	1,371	1,803	2,324	4,499	6,823
Outlays.................	7	65	222	422	654	716	1,370

-- FY 1993 - $4.5 billion for incremental FY 1993 housing subsidies (including HOME).

-- A) Doubles HOME grants to the full amount authorized of $2.2 billion (1993 base of $1.1 billion) and increases HOME housing subsidies from 41,343 to 66,774 in FY 1994.

(Nota bene. HOME increase is funded in two places: (a) +$0.2 billion of FY 1994 budget authority in this investment option and (b) +$0.9 billion is funded through a "Non-Defense Discretionary Savings" entitled, "Consolidate several HUD housing programs into HOME.")

B) Increases new housing vouchers to 100,000 in FY 1998 (from nearly 40,000 in FY 1993, gradual increases each year).

-- Clear need for additional Federal investment in housing. HUD assists 4.7 million families today with housing subsidies. Nevertheless 3.6 million very-low-income families are not assisted and suffer from a "worst case need" for housing either due to (1) rent that exceeds 50 percent of their income or (2) live in a severely substandard housing unit.

-- Investment would substantially increase assistance through HOME grants and vouchers. Adds $7 billion in budget authority and $1.5 billion in outlays.

-- HOME grants provide housing funds to state and local governments. Advantages: (a)lets them choose the best form of housing for their community (new construction, rehabilitation, or voucher rental assistance); (b) leverages additional state and local funds through matching requirements -- 25-30 percent State/local match.

-- Federal housing vouchers provide rental subsidies for low-income households to live in privately-owned rental units. Advantages: (a) lets tenants select moderately-priced rental units that best meets tenant's needs; (b) fast delivery of funds; (c) overcomes income problems that is sole problem of most (70 percent) very-low-income households.

-- Minor job creation from these proposals; mainly to assist those in the most need. HOME funds may be spent on jobs but difficult to know how local officials would choose to spend funds. Vouchers are an income support, not a construction program. Research indicates little new construction. Estimated jobs are 5,000 over 5 years.

HOUSING AND URBAN DEVELOPMENT: Preservation and Restoration of Low-income Housing (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	546	908	900	893	883	3,247	4,130
Outlays.................	37	155	282	384	519	858	1,377

-- FY 1993 - $410 million.

-- Assures full funding of additional subsidies needed to maintain and preserve about 360,000 units as low-income housing.

-- Enables HUD to clean out its inventory of troubled multi-family housing.

-- Provides assistance to distressed, assisted low-income housing.

HOUSING AND URBAN DEVELOPMENT: Preservation of Low-Income Housing (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority......	-91	-151	-148	-144	-141	-534	-675
Outlays...............	-5	-15	-37	-58	-80	-115	-195

Eliminates incentive payments to landlords greater than 100 percent of Fair Market Rent and drops homeownership grants. Will result in high-cost housing being replaced by lower-cost vouchers, with no impact on the number of eligible tenants receiving assistance. However, would require change in law. A similar proposal did not make it in the 1992 Housing Bill. Congress appropriated $317 million for this program in FY 1993.

HOUSING AND URBAN DEVELOPMENT: Public Housing Modernization (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	---	---	---	---	---	---
Outlays...............	83	173	263	260	171	85

HUD Secretary Cisneros proposes to accelerate the spending of funds for physical management improvements in public housing. A substantial amount of modernization funds remain unspent by public housing authorities. The public housing modernization pipeline contains at the end of 1992 over $7 billion of appropriated and unobligated funds. Accelerating the spending of modernization funds through administrative steps at HUD should not adversely effect the quality of project selection or public housing authority short- and long-range planning.

HOUSING AND URBAN DEVELOPMENT: Public Housing New Construction (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	---	-65	-66	-68	-70	-199	-269
Outlays................	---	---	-7	-36	-58	-43	-101

This proposal to eliminate amendments for new public housing construction supports the savings proposal to increase funding for HOME and eliminate funding for public housing new construction. Funding in 1993 and 1994 for public housing new construction amendments would be used to take care of cost overruns for construction in the pipeline.

HOUSING AND URBAN DEVELOPMENT: Real Estate Mortgage Insurance Conduits (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-146	-146	-146	-146	-146	-584	-730

The Government National Mortgage Association (GNMA) expects to guarantee $77.7 billion in securities in FY 1993, while collecting over $270 million in fees. Under this proposal, GNMA would guarantee prompt payment to all investors on a new product known as a Real Estate Mortgage Investment Conduit or REMIC. A GNMA guaranteed REMIC would increase the demand for GNMA securities by investors, which will drive up the price. GNMA will capture the additional funds generated by REMICs for deficit reduction.

HOUSING AND URBAN DEVELOPMENT: Severely Distressed Public Housing (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	175	284	276	268	260	1,003	1,263
Outlays.................	---	17	68	121	167	206	373

-- The HOPE for Severely Distressed Public Housing initiative is designed to provide Federal resources for local public housing authorities (PHAs) to rehabilitate dilapidated, uninhabitable public housing units.

-- This proposal increases the amount of funds provided for this program from $300 million in FY 1993, to a $600 million budget authority level in each year FY 1994 to FY 1998. It substantially increases Federal resources to restore severely dilapidated public housing projects, thereby providing additional units of decent, safe, and affordable housing for low-income renters.

-- Funds provided to this program are in addition to the $3.2 billion provided to PHAs through the Public Housing Modernization program, and are specifically targeted to the units in most need of attention.

HOUSING AND URBAN DEVELOPMENT: Special Purpose Grants (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget Authority........	-268	-278	-287	-297	-308	-1,130	-1,438
Outlays.................	-5	-73	-209	-278	-288	-565	-853

Special Purpose Grants were funded at $260 million in FY 1993. Eliminates baseline funding of $268 million in BA in FY 1994 for Special Purpose Grants. Congress added funds in the past three years for these unauthorized projects. The conference report accompanying the Appropriations Act specifies the activities funded by each grant, as well as the communities and organizations receiving them. These "pork" projects violate the principles of open and fair distribution of HUD resources that were adopted by Congress in the 1989 HUD Reform Act.

HOUSING AND URBAN DEVELOPMENT: Supportive Housing (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	423	---	---	---	---	---
Outlays...............	127	211	85	---	---	---

This proposal would provide a one-time supplemental of $423 million to fund activities that can be implemented immediately to house and provide appropriate services to the nation's homeless families and individuals. To ensure rapid award and expenditure of funds, the proposal includes modifications to the regular program in order to focus funding on projects ready for immediate implementation. In addition to creating an estimated 12,000 jobs over the next three years, the supplemental would fund job training and other employment-related activities that help the homeless secure jobs.

Program has support within Congress and among homeless providers. Program is in line with goal of service-providers and advocates to combine transitional housing with supportive services to assist the chronically homeless.

HOUSING AND URBAN DEVELOPMENT: Supportive Housing Program (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	180	300	300	300	300	1,080	1,380
Outlays.................	---	22	81	138	183	241	424

-- FY 1993 - $150 million.

-- Would fund construction and rehabilitation of homeless facilities, and operating costs and services (including job training and job placement) for homeless persons.

-- Would double resources currently going to Supportive Housing Program on a yearly basis from FY 1994 to FY 1998.

-- Program addresses root causes of homelessness and lack of needed services for mental illness, drug abuse, and job training.

HOUSING AND URBAN DEVELOPMENT: Urban Partnership Against Crime (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	90	150	150	150	150	540	690
Outlays.................	6	52	116	138	133	312	445

-- This proposal, under development by HUD staff, is intended to reduce crime activity in public housing developments. Funding will be focused on public housing authorities with greatest need for crime prevention assistance. Activities will include law enforcement support, resident patrols, youth initiatives, and social service support for residents.

INTERIOR

INTERIOR: Bureau of Indian Affairs -- Development (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
Loan levels.............	(48)	---	---	---	---	---
Subsidy budget authority.............	6	---	---	---	---	---
Outlays.................	6	---	---	---	---	---
Road Maintenance and Facilities Repair						
Budget authority......	33	---	---	---	---	---
Outlays...............	29	4	---	---	---	---

Expansion of BIA economic development programs is projected to generate more than 1,500 jobs on or near Indian reservations where unemployment exceeds the national average. An increase of $33 million will upgrade roads used to transport school children, improve access in rural areas, and make improvements in BIA school facilities. An increase of six million will guarantee $48 million in private-sector loans for Indian gaming facilities, hotels, and office buildings. Nearly 1,300 jobs should be created in FY 1993.

INTERIOR: Bureau of Indian Affairs -- Schools (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
Budget authority........	49	---	---	---	---	---
Outlays.................	28	17	4	---	---	---

The proposal would allow for inflationary increases in the operation of BIA schools. A $24 million shortfall for the 1992-93 school year has already been identified, and a $28 million shortfall for the 93-94 school year has been estimated by BIA, both a result of rising costs and increased enrollment. This proposal will maintain current school employment and add about 100 jobs in FY 1993. The proposal qualifies as a stimulus because funds would basically provide teacher salaries allowing BIA to keep teacher aides under contract in FY 1993 and hire more aides in 1993-94. Tribal representatives have already contacted Secretary Babbitt concerning these anticipated shortfalls in funding.

INTERIOR: Commonwealth of the Northern Mariana Islands (CNMI) Funding Agreement (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-6	-7	-8	-10	-12	-31	-43

Implement new funding agreement (current FY 1993 funding totals $28 million) between the Executive Branch and CNMI representatives. This agreement provides Federal funding for a third seven-year period (FYs 1994-2000). This agreement reduces Federal (DOI) funding over time, and requires that all such funding be devoted entirely to infrastructure projects.

INTERIOR: Federal Irrigation Water Surcharge (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-10	-10	-10	-15	-15	-45	-60

This proposal would authorize a per acre-foot surcharge on water sales from Bureau of Reclamation projects throughout the West (except for the Central Valley Project in California for which a similar surcharge was recently enacted). Revenue from the surcharge would be deposited into a special fund for use (subject to appropriations) in mitigating irrigation-caused adverse impacts on fish and wildlife. These costs are currently paid by the Federal taxpayer or repaid by project beneficiaries (without interest) over 50 years. The surcharge would also encourage more rational water use that would reduce the harmful impacts of non-point source pollution.

INTERIOR: Hardrock Mining Holding Fees (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-80	-80	-80	-80	-80	-320	-400

This holding fee was first enacted in FY 1993 on a one-year basis (offsetting receipts of $80 million). A $100 per claim annual holding fee would be permanently substituted for otherwise required FY 1994 annual claim development work to maintain the claim. Hardrock minerals include: gold, silver, lead, copper, and zinc.

INTERIOR: Hardrock Mining Royalties (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	-63	-131	-277	-277	-471	-748

No royalty is authorized currently. This proposal would charge an 8 percent royalty on gross production value from all hardrock (gold, silver, copper) mining claims on Federal lands. Royalty is phased-in over four years at 2 percent per year until 8 percent is reached. First collections would occur in 1995. Program will be controversial and complex to establish. One year will likely be needed to prepare regulations. Receipts are based on a proposed hardrock royalty of 12.5 percent by 2000.

INTERIOR: National Park Service -- Historic Preservation (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
Budget authority........	23	---	---	---	---	---
Outlays.................	14	9	---	---	---	---

The proposal would fund, through the National Park Service, a package of ready-to-go, bricks and mortar rehabilitation projects; emergency surveys and engineering reports on historic properties; and catch-up on deferred maintenance. America's heritage should be protected by maintaining nationally significant historic resources in a safe and stable condition. This preservation work would be located at National Trust for Historic Preservation properties across the Nation, and other priority projects competitively funded through State historic preservation grants and Indian Tribes. This proposal would require an estimated investment of $23 million in FY 1993-94 outlays, and generate an estimated 425 direct and indirect jobs in FY 1993.

INTERIOR/AGRICULTURE: Natural Resources Protection and Environmental Infrastructure (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	239	463	490	518	549	1,710	2,259
Outlays.................	167	384	471	509	538	1,531	2,069

-- FY 1993 - $937 million.

-- Would provide additional funding for trail maintenance, facility maintenance, repairs, rehabilitation, hazardous materials removal, and dam safety to the Department of the Interior (DOI) for National Park Service, Fish and Wildlife Service, and the Bureau of Land Management; and to USDA for the Forest Service. DOI claims to have a backlog for these needs in excess of $3 billion dollars.

-- Should significantly improve the visible condition of these facilities to visitors, reduce environmental damage from poorly functioning facilities, and increase visitor safety.

-- Would increase employment in rural America where most of these facilities are located.

-- Provides approximately 9,000 jobs in FY 1994 and 45,000 jobs in FY 1994 to FY 1998.

INTERIOR: Safety of Dams on Indian Reservations (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	18	30	30	30	30	108	138
Outlays.................	4	12	20	23	23	59	82

-- FY 1993 - $11 million.

-- Addresses identified needs for repair of unsafe dams on Indian reservation lands.

-- Current repairs backlog estimated at tens of millions of dollars over the next several years.

-- Would create 950 jobs in FY 1997 and 3,300 jobs from FY 1994 to FY 1998.

JUDICIARY

JUDICIARY BRANCH: Negative Allowance (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	-574	-927	-1,348	-1,841	-2,417	-4,690	-7,107
Outlays.................	-532	-906	-1,323	-1,808	-2,377	-4,573	-6,950

This technical adjustment brings the Judiciary budget request down to the baseline. By law, the Judiciary's budget requests are to be transmitted to the Congress without change by the Administration. This allowance conforms to the letter of the law by reducing the total without changing the substance of the Judiciary request.

JUSTICE

JUSTICE: Crime Initiative, Including Community Policing, Cops on the Beat, and Police Corps (Investment Proposal)

[See "Crosscutting Proposals/Selected Highlights by Subject]

JUSTICE: Prison Construction (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-71	-114	-250	-260	-269	-695	-964
Outlays................	-7	-40	-103	-181	-249	-331	-580

The proposal would reduce prison construction by about one-half in 1994 and 1995, and further cut it in 1996 and 1997. The Government has massively increased prison construction in recent years. So much has been poured in that unobligated funds at the beginning of FY 1993 exceeded $1.6 billion. When planned new prisons come on line, the Federal prison overcrowding rate, which peaked at 70 percent two years ago, will be reduced to less than 10 percent by 1997-98. Modernization and repair will not be reduced.

JUSTICE: State Justice Institute (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority......	-14	-15	-15	-16	-16	-60	-76
Outlays...............	-3	-15	-16	-17	-17	-51	-68

The State Justice Institute was established in 1984 as a private, non-profit corporation, to make grants and undertake other activities designed to improve the administration of justice at the State and local level. The program serves States well but fulfills no clear Federal purpose. The Government has funded the program for nine years. The States and localities should pick up the program now. The proposal would terminate funding commencing in fiscal year 1994.

LABOR

LABOR: Dislocated Worker Assistance (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	1,198	2,000	2,000	2,000	2,000	7,198	9,168
Outlays.................	60	879	1,699	1,960	2,000	4,598	6,598

-- Legislation will be proposed for a new comprehensive program to supersede two existing displaced worker programs -- Trade Adjustment Assistance and Economic Dislocation and Worker Adjustment Assistance (EDWAA). The new program would offer extensive job search and placement services, longer-term training, income support, and accountability for services through national standards.

-- FY 1993 - $517 million for EDWAA program (235,000 participants).
$211 million for Trade Adjustment Assistance.

-- Baseline financing for the two current programs is about $725 million; the new program will supplement that financing level.

-- Dislocations increased during this recession; dislocations can be expected to continue. Dislocations among workers who have been with the same employer at least three years averaged about 1.1 million annually over the past five years. While this level may decrease, there always will be dislocations even in a good economy.

-- The proposal demonstrates concern for workers displaced by The North American Free Trade Agreement (NAFTA), defense downsizing, and environmental initiatives.

LABOR: Emergency Unemployment Compensation Program (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	4,000	---	---	---	---	---
Outlays...............	4,000	---	---	---	---	---
Outyear Funding Requirements						
Budget authority......	---	2,100	---	---	---	---
Outlays...............	---	2,100	---	---	---	---

Offsets							
Outlays...............	-800	---	---	---	---	---	---

The temporary Emergency Unemployment Compensation (EUC) program expires March 6, 1993. This proposal would allow unemployed workers to qualify for EUC through October 2, 1993. Those qualifying through October 2nd would be paid through January 15, 1994. Program provides additional weeks of benefits to those eligible for Unemployment Insurance (UI) and who have exhausted their regular UI benefit payments: 20-26 weeks currently and 10-15 weeks if unemployment rate falls below 7 percent. Amounts above include about $100 million in administrative costs in FY 1993 and FY 1994. Extension will replace some benefits under Extended Benefits and Trade Adjustment Assistance (See offsets above).

LABOR: Job Corps "50-50 Plan" (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	133	171	214	328	346	846	1,192
Outlays.................	11	32	96	202	344	341	685

-- Beginning in FY 1994, finance an eight-year expansion program that would increase the number of Job Corps Centers by 50 -- from 112 currently to 162 in 2001.

-- By 2001, program capacity would grow by 20,000 training slots, assuming an average center size of 400. Upon completion of the expansion program, total slots would reach about 62,500.

-- The number of participants would grow to 103,700 annually, compared with 69,300 in FY 1993.

-- Could reduce social costs associated with not serving program eligibles, who are severely disadvantaged youth ages 14-24. Currently 40 percent of Job Corps participants are from families who receive public assistance.

LABOR: Job Corps -- Maintenance (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	30	50	50	50	50	180	230
Outlays.................	7	20	32	45	50	104	154

-- Finances repairs, relocations, and maintenance costs for the existing 112 Job Corps centers. These resources will reduce by about half the backlog in center repairs and maintenance.

LABOR: Job Training Partnership Act (JTPA) -- Summer Youth Employment Program (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	374	625	625	625	625	2,249	2,874
Outlays.................	247	540	625	625	625	2,037	2,662

-- Finances about 90,000 additional summer jobs (full-time equivalent basis) each year. An enriched program of work experience, basic skills training, testing and counseling would help youth 14-21 find summer employment and retain and improve their basic skills.

LABOR: Older Americans Employment (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	21	35	35	35	35	126	161
Outlays.................	4	22	34	35	35	95	130

-- Finances an additional 5,800 part-time minimum wage jobs each year for low-income Americans over age 55.

LABOR: Older Americans Employment (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
Budget authority........	32	---	---	---	---	---
Outlays.................	6	23	3	---	---	---

This proposal would finance an additional 5,600 part-time, minimum-wage jobs for low-income Americans over the age of 55 in FY 1993. When combined with the current appropriation, the program will reach its authorized slot level of 70,000 community service opportunities.

LABOR: One-stop Career Shopping (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	150	250	250	250	250	900	1,150
Outlays.................	30	170	250	250	250	700	950

-- Finances one-stop career centers or labor exchanges in States or local areas providing counseling and guidance and a common point of access to information on training and employment in local areas.

LABOR: Summer Youth Employment Program (Job Training Partnership Act) (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	1,000	---	---	---	---	---
Outlays...............	660	340	---	---	---	---
Outyear Funding Requirements						
Budget authority......	---	625	625	625	625	625
Outlays...............	---	413	625	625	625	625

This proposal would finance an additional 111,600 summer (full-year equivalent) jobs in 1993 and about 90,000 in the summers of 1994 - 1998.

LABOR: Unemployment Compensation (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority......	2,400	---	---	---	---	2,400	2,400
Outlays...............	2,400	---	---	---	---	2,400	2,400

-- Extension expires at end of FY 1993. FY 1994 spendout is for those participating in program at expiration date.

LABOR: Worker Profiling (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	9	---	---	---	---	9	9
Outlays.................	6	3	---	---	---	9	9

-- This proposal would develop automated systems to identify structurally unemployed workers at the time they file for unemployment compensation. Early identification of these workers will help State programs provide the extra readjustment services these workers may need to speed reemployment.

LABOR: Worker Profiling (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
Budget authority........	14	---	---	---	---	---
Outlays.................	9	5	---	---	---	---

Worker profiling will develop automated systems to identify structurally unemployed workers at the time they file for unemployment compensation. Early identification of these workers will help State programs provide the extra readjustment services these workers may need to speed reemployment.

LABOR: Youth Apprenticeship (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	269	500	500	500	500	1,769	2,269
Outlays.................	32	243	448	495	500	1,218	1,718

-- This proposal is a Departments of Labor and Education collaboration to help improve skills of entry-level workers and reduce high school dropout rates among the more than 50 percent of youth that do not go on to college. The proposal would support State grants, curricula development, and training and technical assistance.

-- Certified youth apprentices could help address the demand for labor in fast growing technical occupations.

LEGISLATIVE BRANCH

LEGISLATIVE BRANCH: Negative Allowance (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	-265	-258	-271	-286	-304	-1,081	-1,384
Outlays.................	-231	-249	-261	-277	-293	-1,017	-1,310

This proposed allowance would reduce the Legislative Branch request, which is typically inflated, to the Legislative Branch baseline. It would provide the Appropriations Committee with a more realistic starting point to begin their deliberations.

STATE

STATE/AID/DEFENSE SECURITY ASSISTANCE AGENCY: International Security Assistance (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-316	-675	-883	-1,094	-1,260	-2,968	-4,228
Outlays................	-84	-264	-504	-731	-943	-1,583	-2,526

Hold Foreign Military Financing (FMF -- primarily grants) to $3.2 billion in FY 1994 through FY 1998. Reduce the Economic Support Fund (ESF -- all grants) to $2.6 billion in FY 1994 and continue to reduce it gradually to $2.3 billion in FY 1998. Freeze other security assistance accounts in 1994. Reprogram funds to other Clinton objectives.

STATE/INTERNATIONAL AFFAIRS PROGRAMS (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-38	-47	-81	-98	-112	-264	-376
Outlays................	-6	-14	-75	-95	-111	-190	-301

This proposal freezes a number of small international affairs programs in 1994 at 1993 levels. Included are various Department of State, Arms Control and Disarmament Agency, USIA, and other programs involving representational allowances, cultural exchanges and centers, and other activities. (Does not include foreign aid or AID programs.)

STATE: Russia/Eurasia Research and Technology (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-10	-10	-11	-11	-11	-42	-53
Outlays................	-1	-8	-10	-10	-11	-29	-40

Proposal eliminates a research and study grants program that duplicates numerous USIA academic and cultural exchange programs.

TRANSPORTATION

TRANSPORTATION: Air Traffic Control Modernization (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority/ obligations...........	120	200	200	200	200	720	920
Outlays.................	24	69	111	140	161	344	505

-- Continues on-going air traffic control modernization program designed to increase aviation safety and speed air travel. Program addresses critical deficiencies in current technologies and enables the FAA to accommodate growing air traffic demands.

TRANSPORTATION: Airport Improvement Program (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority/ obligations...........	30	50	50	50	50	180	220
Outlays.................	5	22	36	44	47	108	155

-- Provides $200 million spread evenly over four years for airport development projects that would speed air travel, increase access to remote communities, and improve safety.

TRANSPORTATION: Airport Improvement Program (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
Obligation limitation...	250	---	---	---	---	---
Outlays.................	34	106	63	25	13	10

This proposal would fully fund the 1993 Airport Improvement Program authorization by requesting an increase in the obligation limitation of $250 million. The proposal requires no new budget authority or reopening of the authorization. This increase would partially fund the large list of projects the airport trade groups state are "ready-to-go". Projects can improve aviation safety and address airport capacity bottlenecks. DOT estimates that 50,000 jobs are supported by each billion of airport grants.

TRANSPORTATION: Alcohol-related Highway Safety Grants and Other Transportation Capital (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority/ obligations...........	67	100	100	100	100	367	467
Outlays.................	11	37	65	88	98	201	299

-- Includes over $100 million (FY 1994 to FY 1998) for highway safety grants to reduce alcohol related traffic accidents and to increase the use of safety belts and motorcycle helmets.

-- Other capital includes funding for new and expanded Vessel Traffic Systems (VTS) in selected marine ports, and the replacement of 50-year old buoy tenders with new vessels equipped with modern pollution recovery systems -- both will increase safety and help prevent and reduce damage from marine accidents and oil spills.

TRANSPORTATION: AMTRAK (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	188	---	---	---	---	---
Outlays...............	28	131	28	---	---	---

This stimulus proposal provides $188 million in 1993 to fund Amtrak capital projects, which includes new equipment purchases, equipment overhauls, station and real estate improvements, small vehicle replacement (e.g., trucks, lifts, carts), rebuilding of locomotives and right-of-way improvements. It would create 1,450 jobs in 1993 and 1994.

TRANSPORTATION: Coast Guard -- Pay Adjustment (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-37	-58	-72	-90	-102	-257	-359
Outlays................	-29	-53	-69	-86	-99	-237	-336

This option shows the savings from applying the limited pay raise for federal civilian workers to the military personnel in the U.S. Coast Guard.

TRANSPORTATION: Federal-aid Highway Program -- Smart Cars/Smart Highways (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Obligations.............	(70)	(85)	(90)	(100)	(100)	(345)	(445)
Outlays.................	---	---	---	---	---	---	---

-- Would improve traffic control systems, warn drivers of dangerous situations, and make more efficient use of the existing highway infrastructure. It would combine state-of-the-art communications, warning systems, electronic displays, and computer technology.

-- Increased funding would be for accelerated operational tests, increased R&D, advanced technology development (e.g., artificial intelligence applications), and acceleration of the National Advanced Driving Simulator and Automated Highway System (AHS). The AHS is envisioned as a system of instrumented vehicles and highways that provide fully automated "hands-off" operation at improved levels of performance, in terms of safety, efficiency and comfort. Automated control of vehicles could result in an increase of two or three times the capacity of current highway infrastructure facilities.

-- Total obligations would increase by 50 percent or $345 million over baseline funding levels of $660 million for FY 1994 to FY 1997.

TRANSPORTATION: Federal-Aid Highway Program (Stimulus Proposal)

Federal-Aid Highways
($ in millions)

	1988 Actual	1992 Actual	1993 Enacted	1993 ISTEA
Total Obligations......	13,102	17,881	17,668	20,645

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
OBS..................	2,976	---	---	---	---	---
Outlays..............	316	1,895	405	103	64	59
Outyear Funding Requirements						
OBS..................	---	2,621	2,182	1,803	1,371	1,405
Outlays..............	---	402	1,736	1,847	1,631	1,402

This proposal would expand Federal-aid highway program to the levels contained in the Intermodal Surface Transportation Efficiency Act (ISTEA) in 1993. This would continue recent substantial increases for Federal-aid highway funding and result in the creation of 13,100 new jobs in 1993 and 45,200 in 1994. The large increase (17 percent) in obligation would give construction industry significant boost.

TRANSPORTATION: Federal-aid Highway Program -- Intermodal Surface Transportation Efficiency Act (ISTEA) (Investment Proposal)

	1988 Actual	1992 Actual	1993 Enacted	1993 ISTEA
Total obligations.......	13,102	17,881	17,668	20,645

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Obligations............	2,621	2,182	1,803	1,370	1,405	7,976	9,381
Outlays................	402	1,736	1,847	1,631	1,402	5,616	7,018

-- Fully funds the ISTEA as promised in President Clinton's campaign. Would support an annual average of 37,000 additional jobs over the FY 1994 to FY 1997 period.

-- Full-funding of ISTEA will maintain conditions and performance on the nation's most important roads, the National Highway System (NHS). The NHS includes the nation's Interstate road system and all principal roadways. The NHS carries over 75 percent of heavy truck traffic and over 40 percent of all traffic in the U.S. on only four percent of the 3.9 million miles or road in the nation.

-- This proposal assumes that no "demonstration" projects from ISTEA or previous authorizations acts are funded in FY 1994 to FY 1998. At the discretion of the States, these Congressionally "earmarked" funds may be replaced with projects from the standard Federal-aid program. States will have the flexibility to fund these very same "demonstration" projects if the States so choose.

-- Full-funding of ISTEA requires that the 2.5 cents that is currently being collected for deficit reduction purposes to be diverted to the Highway Account of the Highway Trust Fund starting in FY 1996. The attached chart shows the status of the Highway Account assuming full-funding of ISTEA.

-- Highway pavement conditions should improve. Growing problem of congestion should be alleviated.

TRANSPORTATION: Federal Aviation Administration Operations (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority......	-62	-62	-62	-62	-62	-248	-310
Outlays...............	-55	-62	-62	-62	-62	-241	-303

This reflects the transition from a rapidly growing workforce needed to handle the rapid increase in air travel in the late 1980's to a stable workforce and little or no increase in air travel in recent years. The 1993 program level is $4,538 million.

TRANSPORTATION: High-Speed Rail/Magnetic Levitation (Maglev) (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority/ obligations...........	135	225	250	300	350	910	1,260
Outlays.................	27	140	221	258	305	646	951

-- Maglev and high-speed rail could potentially reduce highway and airport congestion and improve air quality in a few select corridors.

-- Releases $725 million of ISTEA contract authority in FY 1994 to FY 1997 for construction of a maglev prototype and provides an additional $125 million per year in new appropriations. Changes legislation to allow funds to be spent either on maglev or high-speed rail, whichever the Secretary chooses.

TRANSPORTATION: Highway Demonstration Projects (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-361	-370	-380	-389	-399	-1,500	-1,899
Outlays................	-129	-337	-438	-428	-417	-1,332	-1,749

This proposal would reduce funding for projects or programs as identified by the Appropriations Committees. One possibility, among others, is to reduce appropriated highway demonstration projects ($351 million in 1993 budget authority).

TRANSPORTATION: Mass Transit Formula Capital Grants (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Obligations.............	599	1,000	1,000	1,000	1,000	3,599	4,599
Outlays.................	23	149	398	639	864	1,209	2,073

-- FY 1993 - $3.8 billion, before stimulus supplemental.

-- Additional buses and vans can be ordered and delivered relatively quickly and are needed to replace overage vehicles currently in the U.S. transit fleet. Replacement of overage vehicles will improve the quality and accessibility of transit service.

-- Distribution of these funds by formula would ensure an equitable allocation of funds to cities over 50,000 in population. Funds would assist transit systems in retaining current riders.

-- An estimated 23,000 direct and indirect job years would be supported by each additional billion dollars.

TRANSPORTATION: Mass Transit (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Obligation limitation.	16	---	---	---	---	---
Budget authority......	736	---	---	---	---	---
Outlays...............	140	248	152	98	92	23
Outyear Funding Requirements						
Budget authority......	---	1,000	1,000	1,000	1,000	1,000
Outlays...............	---	50	250	550	750	950

NOTE: Obligation limitations are deltas to an obligation limitation in the baseline.

For 1993, $270 million would be provided for bus and van purchases, which could be obligated and outlayed quickly. The remaining $466 million would be placed in the transit formula capital grant program to fund projects such as rail rehabilitation, repair and improvement of bus maintenance facilities, and rail car and bus purchases. The proposed increase in 1993 funding will support 9,300 job years in 1993 and 1994. For 1994-98, the additional one billion would be used entirely for formula-allocated capital grants. In no year would the total appropriated levels reach the total authorized levels in the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA).

TRANSPORTATION: Public Lands Highways and Indian Reservation Roads (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	36	121	180	240	240	577	817
Outlays.................	5	38	99	153	200	295	495

-- FY 1993 - $445 million.

-- Would reduce the acknowledged backlog (in excess of $15 billion) of existing Federal road construction projects in parks, forests, and on Indian reservations.

-- Would generate much-needed employment opportunities in rural areas and on Indian reservations.

-- Would improve public access to national parks and forests, and economic development opportunities on Indian reservations.

-- Provides approximately 13,600 jobs from FY 1994 to FY 1998.

TRANSPORTATION: Registration Fee for General Aviation Aircraft (Entitlement Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Registration fee..........	-18	-31	-44	-58	-60	-151	-211

FY 1993 program level is less than $1 million. Implement a graduated fee increase for registering general aviation aircraft over four years. General aviation aircraft currently account for 26 percent of FAA's costs of operating the aviation system, but pay in fees only 7 percent of these costs. Airlines pay for all the costs they impose on FAA. As a result, taxpayers provide general aviation operators with an annual subsidy of approximately $2B.

TRANSPORTATION: Tonnage Fees (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	---	-67	-68	-70	-135	-205

These fees are specified in law for the period 1991-1995 and offset a limited amount of the costs incurred by the Coast Guard in providing services to the commercial maritime community. This option extends the feed and builds in an annual increase equivalent to the CPI.

FY 1993 program level is zero for voluntary decal and search and rescue fees. Commercial and recreational mariners benefit from an extensive system of over 52,000 public aids to navigation and search and rescue services. The Coast Guard conducts over 50,000 search and rescue missions per year, 85 percent of which are for recreational/private boaters. These services are subsidized by the general taxpayer. User fees are a widely accepted means of financing transportation programs, (e.g., highways and aviation). There is little rationale for exempting water transportation.

TREASURY

TREASURY: Capital Recovery (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Small business investment tax credit (Outlays)..	2,795	3,133	3,027	3,309	3,501	12,264	15,765
Alternative minimum tax depreciation preference (Outlays)..	188	307	396	404	273	1,295	1,560
Temporary incremental investment tax credit (Outlays)............	6,399	3,584	107	-961	-572	9,129	8,557

TREASURY: Community Development Banks (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	60	104	107	111	115	382	497
Outlays.................	45	93	106	110	114	354	468

-- New Program. No FY 1993 program.

-- The program targets resources to overcome market imperfections by providing funds to areas that evidence indicates have historically been subject to racial discrimination.

-- A community development bank network would utilize the private sector, thereby capitalizing on the benefits of market discipline rather than expanding the Federal bureaucracy.

-- Avoids or minimizes rapid neighborhood disinvestment that destroys capital and causes costly displacement.

-- If used to fund new banks, additional liquidity (deposit) services could be provided to low-income communities.

-- New loans from FY 1994 to FY 1997 could be as high as $4 billion.

-- New jobs financed could range from 3,000 to 11,000.

TREASURY: Customs Merchandise and Passenger Processing Fees (Entitlement Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Merchandise...........	---	---	-564	-579	-597	-1,143	-1,740
Passenger Fee:							
Collections.........	---	---	-226	-243	-261	-469	-730
Spending............	---	---	226	243	261	469	730
Net Effect...........	---	---	-564	-579	-597	-1,143	-1,740

The Merchandise and Passenger Processing fees due to expire in FY 1995 will be extended through FY 1998. The Merchandise Processing (OBRA) Fee offsets the annually appropriated costs of Customs' commercial operations. The Passenger Processing (COBRA) Fee pays for all Customs inspector overtime and pre-clearance activities. In FY 1993, $521 million was collected from the OBRA Fee and $182 million from the COBRA Fee. Under current law, spending associated with the COBRA Fee stops when the law expires. However, since the fee currently pays some inspector salaries and all inspector overtime, in practice the spending would continue.

TREASURY: Customs Overtime/Passenger Processing Fee (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-18	-18	-18	-18	-18	-72	-90

Current law provides generous overtime benefits for Customs inspectors (e.g., two days pay for any work performed on a Sunday or holiday) and creates strong incentives for abuse. In FY 1993, the costs of overtime are estimated to be $103 million. Legislation will be proposed to curb abuses and save an estimated $18 million a year. The Passenger Processing fee, which currently pays for inspector overtime and other processing costs, will also be changed to allow these savings to be realized for deficit reduction.

TREASURY: Debt Securities (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-1,634	-2,660	-3,264	-3,919	-4,877	-11,477	-16,354

To finance the deficit, Treasury issues debt securities with maturities ranging from 13 weeks to 30 years, with a substantial proportion in long-term maturities. This financing mix could be adjusted to have a smaller portion of long-term securities, thus lowering interest costs.

TREASURY: IRS Tax System Modernization (TSM) (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	148	---	---	---	---	---
Outlays...............	104	44	---	---	---	---

This funding will accelerate the IRS's efforts to modernize its tax collection operations. The IRS is currently operating with severely out of date computer equipment. Through Tax System Modernization (TSM), the IRS is undertaking a multi-billion dollar, decade-long effort to "reinvent" its operations. Projects chosen for acceleration have procurement means readily available, assuring quick spending of funds in FY 1993 and FY 1994. An immediate job stimulus in the computer and telecommunications industries would occur.

TREASURY: Tax Incentives (Investment Proposal)

[See "Crosscutting Proposals/Selected Highlights by Subject]

TREASURY: User Fees for Alcohol Labels and Laboratory Analysis (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.........	-5	-5	-5	-5	-5	-20	-25
Outlays..................	-5	-5	-5	-5	-5	-20	-25

BATF is required by law to approve all alcoholic beverage labels. It is estimated that a fee of $50 per label approval would approximately cover the Bureau's cost for this activity. BATF also conducts laboratory analyses of certain imported alcoholic beverages and domestic flavorings and formulations, both to verify proof and contents as well as to check for contaminants. A lab analysis fee of $250 would approximately cover the costs of this activity.

Fees reflect costs of service. Applying fees for service increases economic efficiency by allocating cost among users according to demand for service. Manufacturers and importers of alcoholic beverages will be opposed to paying fees to cover statutorily required activities, especially if this is not reflected in more responsive service from BATF.

VETERANS AFFAIRS

VETERANS AFFAIRS: Home Loan Program -- Housing Downpayment for Multiple Uses of Loan Guaranty Benefit (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-17	-17	-17	-17	-17	-68	-85

Would require a 2.5 percent fee and a 10 percent downpayment for multiple-use of the loan guaranty benefit. Currently, multiple-users are charged the same fee as first-time users, and are not required to make a downpayment. (Active duty military would be exempt from this proposal.) A 10 percent downpayment would reduce foreclosures by lowering loan-to-value (LTV) ratios. One of the most important determinants of defaults is lack of borrower equity (i.e., high LTV ratios). Veterans groups and Congress have opposed this because it would set precedent of requiring a down payment. FY 1993 BA for the Home Loan Program is $625 million.

VETERANS AFFAIRS: Home Loan Program -- Resale Loan Loss Provisions (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-19	-20	-20	-21	-22	-80	-102

Would make permanent inclusion of expected losses on the resale of a foreclosed property in the formula to determine whether it is more cost-effective to: (1) acquire a foreclosed property from the lender and resell it or (2) pay the guarantee to the lender. The proposal would make property acquisition more cost-effective to the Federal Government. Was enacted last year for loans made before FY 1994. FY 1993 BA for the Home Loan Program is $625 million.

VETERANS AFFAIRS: Housing Loan Fees (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-153	-155	-155	-157	-165	-620	-785

Under this option, most loan fees would be raised by .75 percent. The proposal would reduce the Government subsidy for the VA mortgage guaranty program by increasing fees paid by veterans and reservists -- because fees can be financed over 30 years, the additional cost would not be significant to beneficiaries. Rejected by Congress in the FY 1993 Budget, veterans groups believe the fee increase may discourage participation among lower-income veterans. FY 1993 budget authority level for the Home Loan Program is $625 million.

VETERANS AFFAIRS: Life Insurance Administrative Costs (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-25	-28	-29	-31	-32	-113	-145

Would pay administrative costs for three VA life insurance programs from the programs' excess revenues. Currently, administrative costs are paid through annual appropriations. The proposal would reduce taxpayer subsidy of programs that pay dividends to policyholders of over $1 billion per year. Would reduce average veteran's annual dividend by $10. FY 1993 BA level for Life Insurance administration is $24 million.

VETERANS AFFAIRS: Major Construction (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget Authority........	-146	-151	-157	-162	-167	-616	-783
Outlays.................	-7	-46	-95	-134	-152	-282	-434

This proposal would provide $362 million in FY 1994 for VA's major construction program, which primarily supports VA's health care system. FY 1993 budget authority totals $493 million. To improve the planning and management of this program, VA will take into account the following major factors: (1) the projected demand from veterans who are likely to use the VA system; (2) the relationship of the project to the VA system as a whole; and (3) the health care resources available to veterans in the community.

VETERANS AFFAIRS: Medical Care (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	282	670	740	808	870	2,500	3,370
Outlays.................	279	663	733	800	861	2,475	3,336

-- Would fund treatment of all veterans expected to apply for care, open recently completed facilities in a timely manner, meet new residency program standards, and fund high priority initiatives, including automating hospital drug dispensing.

VETERANS AFFAIRS: Medical Care Cost Recovery (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-46	-326	-391	-407	-425	-1,170	-1,595

Would make permanent VA's authority to collect the cost of medical care from health insurers of veterans with service-connected (i.e., military related) disabilities when the care is provided for a non-service-connected condition. The proposal would hold private health insurance companies responsible for the costs of their beneficiaries' care -- veterans and/or veterans' employers have paid premiums to these insurers. Has been enacted twice. FY 1993 medical receipts are $552 million.

VETERANS AFFAIRS: Medical Care -- Hospital Management (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-100	-200	-300	-400	-500	-1,000	-1,500
Outlays................	-100	-200	-300	-400	-500	-1,000	-1,500

Would allocate medical resources to VA hospitals through a prospective payment system (PPS) similar to the one used in Medicare. VA had a similar system from 1986 to 1990 but limited its effect by severely restricting the amount of funds that could be reallocated among facilities. This option would strengthen incentives to use resources more efficiently and would identify relatively inefficient hospitals (or hospital units) that could be examined for conversion or closure. VA hospital directors would strongly oppose returning to a PPS-type system -- the Chief Medical Director terminated a similar system in 1990. FY93 BA totals $14.6 billion.

VETERANS AFFAIRS: Medical Care and Minor Construction (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	235	---	---	---	---	---
Outlays...............	153	82	---	---	---	---
Outyear Funding Requirements						
Budget authority......	---	---	---	---	---	---
Outlays...............	---	---	---	---	---	---

This increase would fund projects that could immediately stimulate the economy (5,000 jobs) and provide much needed improvements in VA medical centers and cemeteries. This includes major repairs to interior finishes, roofs, roads, parking lots, utility systems, and numerous other exterior repairs. It would bring facilities up to current safety and fire codes and provide additional funds for modernizing patient treatment areas, wards, nurses stations and other patient support facilities. Projects for fuel-tank safety, incinerator pollution, hazardous waste, energy conservation and asbestos removal could be expedited. Current FY 1993 funding for Medical Care and Minor Construction Maintenance projects totals $423 million.

VETERANS AFFAIRS: Pension Benefits/Medicaid Coverage for Nursing Homes (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	---	---	---	-300	---	-300

Would make permanent provisions that set a $90 monthly limit on pension benefits paid to any veteran or survivor without dependents receiving Medicaid coverage in a Medicaid-approved nursing home. This proposal would reduce VA "subsidy" to State Medicaid programs. Would increase Federal Medicaid costs (savings above are net of those costs). Has been enacted twice. FY 1993 BA level for pensions is $3.5 million.

VETERANS AFFAIRS: Prescription Charge/Copayment (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	---	---	---	-42	---	-42

Would make permanent VA's authority to collect from most veterans a $2 copayment for each 30-day supply of outpatient prescription drugs that is not related to treatment of a service-connected (i.e., military related) disability. Cost sharing encourages more appropriate utilization of prescription drugs (VA had reported that some veterans were "hoarding" drugs -- expensive for VA and potentially hazardous to a veteran's health). Has been enacted three times. FY 1993 medical receipts are $552 million.

VETERANS AFFAIRS: Readjustment Benefits (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-68	-83	-90	-98	-108	-339	-447

Would increase prospectively service members' contributions to restore the 9:1 (government: service members) match. Under this proposal, service members total contributions would increase from $1,200 to $1,600. The Government's contribution is $14,400. In two steps over the last three years, Congress has increased monthly GI Bill benefits from $300 to $400 without increasing service members' contributions to the program. The original program structure had a 9:1 match. FY 1993 BA for Readjustment Benefits is $814 million.

This option was rejected by Congress in FY 1992 and FY 1993 Budgets.

VETERANS AFFAIRS: VA Access to IRS Data (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	---	---	---	-197	---	-197

Would make permanent an OBRA 90 provision giving VA access to IRS tax data to verify income reported by VA pension and medical care beneficiaries. (VA's pension and medical care programs are means-tested.)

For pensions, the proposal would improve program integrity by reducing overpayments that occur when self-reported income is the only information used to verify eligibility. For medical care, the proposal would allow VA to more effectively identify and collect co-payments from higher income veterans.

Has been enacted twice. FY 1993 BA levels: Pensions $3.5 billion; Medical care $14.6 billion.

ENVIRONMENTAL PROTECTION AGENCY

EPA: Clean Water Act -- Watershed Resource Restoration Grants(Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
Budget authority........	47	---	---	---	---	---
Outlays................	23	15	8	---	---	---

This proposal would provide $50 million in non-point source grants to States under Section 319 of the Clean Water Act. These grants would be used to reduce non-point source pollution (e.g., runoff from farms, streets) in order to help restore watersheds and estuaries. This would enhance the productivity of rural, suburban, and urban watersheds (better fishing) and increase their usefulness for recreation. This initiative would create 704 direct and indirect jobs in FY 1993. This funding would supplement $50 million already enacted for the program in FY 1993.

EPA: Clean Water State Revolving Funds (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	1,198	2,000	2,000	2,000	2,000	7,198	9,198
Outlays................	54	344	900	1,402	1,666	7,700	4,366

-- FY 1993 -- $0. New program

-- Funds capitalization grants to State Revolving Funds for the purpose of making low-interest loans to municipalities for construction of projects to address water quality problems -- storm water control and restoring estuaries. Legislation is required.

-- Project eligibilities would be less restricted than in previous clean water authorizations.

-- Would create 2,000 direct and indirect jobs in FY 1994 and 74,500 jobs for the period FY 1994 to FY 1997.

EPA: Drinking Water State Revolving Funds (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	599	1,000	1,000	1,000	1,000	3,599	4,599
Outlays.................	24	172	440	692	840	1,328	2,168

-- FY 1993 - $0. New program.

-- Would provide $1 billion annually in new capitalization grants to State Revolving Funds, which make low-interest loans to help municipalities comply with Safe Drinking Water Act (SDWA) requirements. Legislation is required.

-- Would create 900 direct and indirect jobs in FY 1994 rising to 20,000 in FY 1998.

-- EPA estimates that municipalities need a total of $10 billion for capital expenditures through FY 1998 to comply with SDWA requirements.

-- Would fund 5,100 projects through FY 1998.

EPA: Environmental Technology Research and Development (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	36	80	120	170	220	406	626
Outlays.................	14	46	84	127	175	271	446

-- FY 1993 - $117 million.

-- Would allow for development of more advanced environmental systems and treatment techniques that could yield environmental benefits and increase exports of "green" technologies.

-- Would provide a key stimulus for developing these technologies by providing research grants to private sector research and development firms and other Federal agencies.

-- Would aid in the transition away from a defense-oriented economy, by stimulating the use of underutilized private sector R&D resources.

-- Would aid development of 36 technologies in FY 1994 and 309 in FY 1998.

-- Would create 224 direct jobs in FY 1994 and 1,738 in FY 1998.

EPA: Green Programs (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	15	25	25	25	25	90	115
Outlays.................	5	16	23	25	25	69	94

-- Would expand EPA's voluntary "green programs," which are currently funded at $8 million in FY 1993.

-- Through a series of voluntary actions, these green programs seek to improve private-sector energy efficiency and, as a result, reduce generation of electricity and greenhouse gas emissions.

-- This initiative would create 180 direct private sector jobs in FY 1994 and 500 in FY 1998.

EPA: "Green" Programs (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	23	---	---	---	---	---
Outlays...............	8	11	4	---	---	---
Outyear Funding Requirements						
Budget authority......	---	25	25	25	25	25
Outlays...............	---	9	21	24	25	25

This proposal provides supplemental funds of $25 million for expanding EPA's voluntary "green programs," which are currently funded at eight million in FY 1993. Through a series of voluntary actions, these "green programs" seek to improve private-sector energy efficiency and as a result, reduce electricity generation and greenhouse gas emissions. This initiative would create 169 private-sector jobs in FY 1993.

EPA: Superfund Financing (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	-118	-122	-127	-131	-136	-498	-634
Outlays.................	-31	-73	-95	-109	-118	-308	-426

Substitute private financing for government financing of the Superfund program to the maximum extent possible. Greater use of Superfund's enforcement mechanisms could achieve greater "potentially responsible party" participation in remedial cleanups and removal actions. It would ensure that the greatest number of sites possible can be cleaned up within the limited funding available in the Superfund trust fund. 1993 program level: $1,574 million.

EPA: Wastewater Treatment Grants/NAFTA (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-2,418	-2,484	-2,550	-2,618	-2,687	-10,070	-12,757
Outlays................	-109	-624	-1,424	-1,947	-2,207	-4,104	-6,311

This proposal reflects savings due to the completion of the current $18 billion authorization designed to end the program ($900 million was provided as stimulus in FY 1993) pursuant to the 1987 Clean Water Act Reauthorization. Funding of $150 million per year for NAFTA and Mexican border wastewater projects (including projects in U.S. colonias) would continue. Although the current authorization is complete, the investment package includes $2 billion per year in new funding for a broader class of projects (including stormwater control) needed to comply with the Clean Water Act. 1993 program level: $2,500 million.

EPA: Wastewater Treatment State Revolving Funds (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
Budget authority........	845	---	---	---	---	---
Outlays.................	39	179	272	172	72	34

This proposal would provide $845 million in capitalization grants to State Revolving Funds, which make low-interest loans to municipalities for construction of sewage treatment facilities. This would accelerate completion of an $18 billion wastewater treatment grant authorization that is scheduled to end in FY 1994. This initiative would create 862 direct and indirect jobs in FY 1993. This funding would supplement $2.5 billion in FY 1993 enacted funding for EPA wastewater treatment grants.

EPA: Watershed Resource Restoration (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	30	50	50	50	50	180	230
Outlays.................	15	34	43	47	49	139	188

-- FY 1993 - $50 million.

-- Would be used to address a wide range of non-point source water pollution problems and contribute to restoration of watersheds nationwide. Legislation is not required.

-- Would fund 500 projects per year and create 750 direct and indirect jobs in FY 1994 and 1,500 jobs in FY 1998.

EPA - Wastewater and Drinking Water Proposal

Question: What are the impacts of the wastewater and drinking water proposals?

Answer: As of 2/12/93, there are three pieces to the proposal on EPA wastewater funding. The first is to provide $900 million in FY 1993 stimulus through additional capitalization grants to the State Revolving Funds (SRFs) in FY 1993.

The second piece is to eliminate current EPA wastewater funding (except $150 million per year to support NAFTA) reflecting the completion in FY 1993 of the existing $18 billion authorization. This authorization was designed to end Federal assistance. Current funding consists of roughly $400 million in earmarked grants for seven cities (Boston, New York, Los Angeles, San Diego, Seattle, Baltimore, and Detroit) and $2 billion in capitalization grants for wastewater SRFs. This reduction is largely offset by the third piece of the proposal, which is the $2 billion in capitalization grants for Clean Water SRFs under a new authorization that is included in the investment package.

The distinction between the $2 billion in wastewater SRFs funding cut in the savings package and the $2 billion in Clean Water SRF funding provided in the investment package is that the new funding (which requires legislation) will place a greater emphasis on stormwater control projects and will be eligible for a broader class of projects. Consequently, the main effect of the savings and stimulus proposals taken together is the elimination of the earmarked grants for the seven cities. These targeted grants have been strongly supported by the Congressional delegations of the affected States and opposed by the other States.

The drinking water proposal in the investment package provides $1 billion in EPA funding for construction projects to ease the burden on municipalities of complying with Safe Drinking Water Act requirements. This would require additional legislation as EPA currently has no authority to provide such assistance. The distribution of funds among States will need to be determined. It should also be noted that for exclusively rural areas, the Rural Development Administration, has received an increase of $800 million for water and wastewater loans and grants in the stimulus proposals and $500 million annually FY 1994-98 for water and wastewater grants and loans in the investment proposals.

EPA - Wastewater Funding for U.S. Colonias

A total of $70 million was appropriated to EPA for wastewater projects in the colonias (in support of NAFTA) for FY 1993, of which $50 million went to Texas, $10 to Arizona and $10 million to New Mexico. EPA obligated the grants to Texas and New Mexico several weeks ago and expects to obligate the grant to Arizona within several weeks. These States may begin obligating funds to specific projects at any time after that. All the obligations are expected by the end of FY 1993.

Colonias are unincorporated areas found in Texas, New Mexico, and Arizona. The projects in the colonias of interest to Secretary Bentsen are mostly piping projects connecting homes in these unincorporated area to municipal waste treatment facilities. Piping projects are relatively small and simple compared to other wastewater treatment construction, so they proceed much more quickly. However, once the States obligate funds to specific projects, it still takes about two years to complete the project (six months for project planning, six months for design, and a year for construction). Given this time schedule, NRD would expect most of the projects funded by the FY 1993 appropriation to reach completion by the end of FY 1995.

EPA estimates that there are $500 million in potential projects for the colonias in Texas ($250 million Federal share). The FY 1994 Budget currently projects $50 million per year from FY 1994 to 1998 to continue funding projects in the Texas, New Mexico, and Arizona colonias.

EPA -- Superfund

Question: On February 11th, President Clinton called Superfund a disaster. The President was quoted as saying "All the money goes to the lawyers and none of the money goes to cleanup...". Won't the Budget's proposal to increase private financing through more aggressive enforcement only increase legal costs and make matters worse?

Answer: The President has stated his intent to re-examine whether we are getting our money's worth from Superfund. As indicated by George Stephanopoulos on February 11th, the President will call for reforms of Superfund, at an appropriate time for consideration in the upcoming Superfund reauthorization debate. The President's Budget proposal would ensure that the greatest number of sites possible are cleaned up with the limited funds available under the current Superfund authorization. It proposes to substitute private financing by responsible private parties rather than government financing of the Superfund program to the maximum extent possible. The proposal would save $109 million in FY 1997 outlays without compromising protection of human health and the environment.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

NASA: Aeronautics Research (Investment Proposal)

Civil aviation	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	57	164	186	247	285	654	939
Outlays.................	36	121	171	222	267	550	817
Short-haul aircraft research							
Budget authority........	5	13	20	20	20	58	78
Outlays.................	3	10	17	20	20	50	70

-- FY 1993 - $903 million.

-- This increase would enable NASA to greatly augment research in existing aircraft and a new generation of supersonic commercial aircraft.

-- Could provide the technology foundation for improving the competitive position of the U.S. aircraft industry and help counter aggressive government-supported foreign competition.

-- Could provide technologies that improve the environmental compatibility of existing and future aircraft by reducing noise and engine emissions.

-- Could create about 3,600 jobs by FY 1998.

NASA: High Performance Computing and Communications (Stimulus Proposal)

[See "Crosscutting Proposals/Selected Highlights by Subject]

NASA: Space Station (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	588	578	631	421	2,440	2,861	
Outlays.................	203	662	625	636	510	2,126	2,636

Space Station represents over a $100 billion mortgage on the future. Its history is fraught with cost overruns (NASA has just forewarned us of a new $500 million overrun) and its capabilities have been dramatically reduced from that promised originally. If we wish to retain Station, we would have to eliminate over 20 other valuable NASA programs in space science, space transportation, space technology and aeronautical research. To keep both the Station and all these other worthy programs would require $11 billion over the baseline for FY 1994 to FY 1998. We think this does not make sense nor would Congress fund NASA at these levels.

Space Station would cost at least $13 billion in FY 1994 to FY 1998. However, a redesigned Station would cost only $3-6 billion over the same period, achieve most of the research goals, and most likely accommodate our foreign partners. This redesign would free up billions of dollars for new technology investments that more meaningfully contribute to the U.S. economy and the science and technology base. Such technology would not only enhance NASA programs but would provide new business opportunities for aerospace and small high-tech companies. Examples include: advancing research in robotics, computing, microelectronics, aeronautics, and materials; supporting new generation of quiet, clean and competitive commercial airplanes; improving U.S. commercial launch vehicles and communication satellites; initiating new small planetary missions that provide results sooner; increasing the level of university research; and upgrading unique NASA space and aeronautics facilities. In addition, we could complement Station research with use of improved Space Shuttles and the existing Russian space station.

These technology investments create many new job opportunities for those jobs affected by the Station redesign. Finally, we could then fund all NASA's other programs like Mission to Planet Earth that will provide us key scientific data in understanding global environmental conditions. In short, this proposal would place NASA on a steady, sustainable budget growth path; achieve much of Station's research objectives at less cost and in less time; and undertake a set of new technology investments.

OFFICE OF PERSONNEL MANAGEMENT

OPM: CSRS/FERS Child-Survivor Benefits (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-5	-10	-15	-20	-25	-50	-75

FY 1993 child survivor benefits estimated to be $25 million. Conform the maximum entitlement age for CSRS/FERS (non-disability) child-survivor benefits to that of Social Security, i.e., reduce the maximum entitlement age from 22 to 18 except for children who are full-time students in a primary or secondary school who could receive benefits until age 19. Allow those currently receiving benefits to retain eligibility until age 22. Allow disabled children to continue to receive benefits indefinitely.

Would be consistent with 1981 Amendments to Social Security Act which reduced the maximum entitlement age for surviving children to 18.

Slight reduction in administrative costs as simple, across-the-board rules are applied to all non-disabled surviving children.

OPM: CSRS/FERS Survivor Annuities (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-35	-70	-105	-140	-175	-350	-525

FY 1993 survivor benefits estimated to be $5 billion. Annuity of CSRS/FERS retirees are reduced if the retiree elects survivor benefits. The survivor benefits are some share (55 percent or less) of the unreduced annuity. This option would base survivor annuity on the reduced annuity. The amount of the annuity reduction does not cover the full cost of the survivor benefit.

Would reduce the government subsidy of survivor benefits. Would bring CSRS and FERS survivor benefits more in line with private-sector survivor benefits.

OPM: FEHB -- Medicare Rates over 65 (Entitlement Program Saving Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-12	-18	-21	-24	-27	-75	-102

Overall FY 1993 Federal Employee Health Benefits are estimated at $16 billion. This proposal would extend modified Medicare Part-B billing and payment limits (covering physician and non-hospital services) to the relatively small number of Federal annuitants age 65 and older who do not have Medicare coverage. It would eliminate the disparity between the non-Medicare covered Federal annuitants age 65 and older and the vast majority of Americans in that age group who are covered by Medicare.

OPM: Lump-Sum Benefit (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	---	-2,100	-3,032	-3,197	-5,132	-8,329

FY 1993 lump-sum payments estimated to be $150 million. This option would permanently eliminate the lump-sum retirement annuity for <u>all</u> employees effective October 1, 1995. Without such legislation, all employees retiring beginning October 1, 1995 could elect to receive a lump-sum benefit roughly equal to employee contributions in exchange for an actuarially-reduced monthly annuity for life).

SMALL BUSINESS ADMINISTRATION

SBA: Business Loan Subsidies (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-117	-120	-123	-126	-129	-486	-615
Outlays................	-76	-113	-116	-118	-121	-423	-544

Reduce Federal participation on 7(a) loan guarantees; decreasing SBA's share to an average of 75 percent, with the expected result that the default rate would decrease and the recovery rate on defaulted loans would increase.

SBA: Earmarked Grants (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-55	-75	-94	-114	-117	-338	-455
Outlays................	-44	-71	-90	-110	-116	-315	-431

Eliminate funding for miscellaneous grants to various municipalities, colleges, and non-profit organizations for projects not authorized by the Small Business Act (1993 appropriation of $20 million). Eliminate funding for SBA tree planting (1993 appropriation of $16 million). Phase-out Federal funding of Small Business Development Centers (SBDCs) (1993 appropriation of $67 million).

SBA: Section 7 (a) Loan Guarantees (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	141	---	---	---	---	---
Outlays...............	42	99	---	---	---	---
Loans.................	2,575	---	---	---	---	---

The proposed increase would support an additional $2.6 billion in lending, bringing SBA's total 1993 guaranty authority to $6.3 billion. Without this supplemental, SBA will exhaust its second quarter apportionment by the beginning of February, resulting in a shut-down of the program until April 1st.

SBA: Small Business Credit Availability (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	92	158	162	166	170	578	748
Outlays.................	60	131	153	157	160	501	661

-- FY 1993 - $3.6 billion in loans.
$200 million in subsidy budget authority.

-- Would permit SBA to meet projected demand for its primary lending program.

-- If properly administered, could provide some relief from certain credit availability problems affecting both banks and small business borrowers.

OTHER INDEPENDENT AGENCIES

AGENCY FOR INTERNATIONAL DEVELOPMENT: Enterprise for the Americas Debt Forgiveness (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-14	-37	-54	-81	-92	-186	-278
Outlays................	-14	-37	-54	-81	-92	-186	-278

Provides less forgiveness of debt repayment than is due to the United States from past loans made by AID and the Department of Agriculture under its foreign food aid program (P.L. 480 assistance). Debt relief will be limited to those countries willing to undertake major economic reforms.

AGENCY FOR INTERNATIONAL DEVELOPMENT: Re-Orient AID Programs (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-156	-252	-332	-410	-474	-1,150	-1,624
Outlays................	-7	-84	-152	-257	-341	-500	-841

This option includes AID programs, except aid to the Former Soviet Union. These programs will be retargeted to support U.S. foreign policy objectives of the 1990s. Of the non-African Development Assistance accounts, funded at $50 million below FY 1993 levels, funding will be shifted out of private sector assistance (-$126 million) and into additional funding for population ($90 million), environment ($50 million), and democracy. Several programs will be eliminated or greatly reduced -- American Hospitals and Schools Abroad, Private Sector Loan Programs, and assistance grants for private sector trade and investment -- because of ineffectiveness or conflict with new objectives.

APPALACHIAN REGIONAL COMMISSION: Freeze Funding (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-6	-13	-20	-28	-35	-67	-102
Outlays................	-1	-2	-6	-11	-12	-20	-32

Freeze funding for ARC at FY 1993 level. Reduction is proposed to come from highway construction projects because of the large existing backlog and because the funds for social and economic development are more coveted by the state and local governments. 1993 program level is $190M.

BOARD FOR INTERNATIONAL BROADCASTING/USIA: Overseas Broadcasting (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	---	---	-238	-244	-250	-482	-732
Outlays................	-60	-59	-281	-244	-250	-644	-894

Putting People First called for consolidation of U.S. international broadcasting assets. This proposal implements this pledge by terminating the BIB's Radio Free Europe/Radio Liberty broadcasts starting in FY 1995 and transfering BIB transmitter assets to USIA's Voice of America. (Note: $603 million available in 1993 for total international broadcasting.) Proposal also cancels BIB/VOA Israel transmitter project immediately and provides alternative Kuwait transmitter in 1994.

COMMODITY FUTURES TRADING CORPORATION: Processing Fees (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-55	-57	-60	-63	-66	-235	-301

Currently, no fee is charged on U.S. futures exchange transactions. A 14 cent fee on all U.S. futures exchange transactions would be charged to the exchanges. The fee revenues would more than offset the costs of the Commodity Futures Trading Commission (CFTC). Traders, brokers, hedgers, speculators, exchanges, and others who benefit from the regulation the Federal government provides (primarily through the CFTC) would help pay for it. The CFTC is the only Federal financial regulator that does not cover at least a portion of its costs with fees.

COMMUNITY INVESTMENT PROGRAM: Reforms in Light of Crime Initiative (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	---	-527	-540	-554	-567	-1,621	-2,188
Outlays................	---	-211	-411	-532	-550	-1,154	-1,704

This savings proposal funds the "Weed and Seed" (Community Investment Program) program at the baseline in 1994. However, starting in 1995, funding for this program will be streamlined and factored into other similar programs for which increases are planned for the 1994-1997 period. As an example, the "Weed and Seed" (Community Investment) program is expected to provide funding for Job Corps, Headstart, drug treatment, and numerous other social service programs, all of which will be substantially increased under the President's proposals. Similarly, the President is proposing increases for anti-crime programs, which would otherwise duplicate the "Weed" portion of the "Weed and Seed" program. Reforming this program will allow for increased Federal coordination and lead to efficient and effective policies of community revitalization and crime fighting throughout the country.

DISTRICT of COLUMBIA: Federal Payment (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	28	---	---	---	---	---
Outlays...............	28	---	---	---	---	---

The Federal government makes an annual payment to the District to compensate it for the net cost of the large Federal presence in the nation's capital. Congress reduced the 1993 Federal payment below the amount requested by the Mayor. This $28 million increase in the Federal payment to the District would reduce the District's estimated $300 million budget deficit for 1993. This would indirectly save local jobs that would otherwise be eliminated to balance the District's FY 1993 budget.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION: American with Disabilities Act (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	11	18	18	18	18	65	83
Outlays.................	10	17	18	18	18	63	81

-- Enforcement of Americans with Disabilities Act and Civil Rights Act.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION: Americans with Disabilities and Civil Rights Acts (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	9	---	---	---	---	---
Outlays...............	8	1	---	---	---	---
Outyear Funding Requirements						
Budget authority......	---	18	18	18	18	18
Outlays...............	---	16	18	18	18	18

This proposal would increase staffing for enforcement of the Americans with Disabilities Act and the Civil Rights Act of 1991. The additional funding would stem the escalating backlog of new cases brought on by the passage of the ADA and the Civil Rights Acts.

EXPORT-IMPORT BANK: Export Import Credit Subsidy (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-20	-40	-189	-190	-192	-439	-631
Outlays................	-3	-6	-39	-105	-148	-153	-301

Freeze Eximbank subsidy budget authority in FY 1994 and 1995, and cut back in subsequent years. This program does not contribute significantly to the promotion of U.S. capital goods exports. Eximbank will have sufficient flexibility in the use of its subsidy authority to support U.S. commercial aircraft exports, which traditionally have required either direct loans or financial guarantees.

FEDERAL COMMUNICATIONS COMMISSION: FCC Spectrum (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	-374	-1,623	-2,083	-340	-4,080	-4,420

The current methods the FCC uses to award licenses to use the radio spectrum (hearings and lotteries) are economically inefficient. In addition, the winners of FCC lotteries often sell their licenses within a matter of days of receiving them for many millions of dollars. Auctioning commercial licenses would be a substantial improvement to the FCC licensing process, reduce costs to the Government, and return to the taxpayer the huge windfalls being distributed randomly to lucky individuals and businesses.

The proposal would transfer to the FCC control of 200 megahertz of radio spectrum now used by the Federal Government and grant the FCC authority to assign this spectrum, and make all future license assignments, using auctions. There is no budget impact in 1993 or 1994.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC) and FEDERAL RESERVE: Examination Fees for State-chartered, FDIC-insured banks (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-255	-265	-275	-286	-297	-1,081	-1,378

State-chartered banks that are examined by the FDIC and Federal Reserve would be charged to cover the cost of examining and supervising them (no such fees are being changed in 1993). This eliminates an incentive for banks and thrifts to shift from Federal to State charters in order to avoid OCC and OTS examination.

Examination fees would increase the FDIC's offsetting collections and indirectly increase Federal receipts to the Treasury and thereby reduce outlays. Examination fees would offset the FDIC's expenses to monitor the financial condition of Federally-insured banks. The FDIC's examination expenses are currently financed through deposit insurance premiums and the Federal Reserve's examination expenses are currently financed through earnings on Treasury securities holdings. Institutions supervised by the Office of Thrift Supervision (OTS), OCC, and National Credit Union Administration (NCUA) are assessed fees based on the size of the institution.

MILITARY SALES PROGRAM: Defense Acquisition Fund (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	---	---	---	---	---	---	---
Outlays................	-23	-92	-138	-133	-86	-386	-472

Phase out this revolving fund established to procure military goods in anticipation of their sale or grant to foreign governments through U.S. government programs. Reduced needs of foreign governments can be accomodated within DoD procurement planning.

NATIONAL SCIENCE FOUNDATION: Enhance the Research and Development Budget (Investment Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority........	331	773	944	1,054	1,206	3,102	4,308
Outlays.................	134	451	758	954	1,100	2,297	3,397

-- FY 1993 - $2.8 billion.

-- Enhances university-based competitive science and engineering research in the U.S.

-- Studies show that investments in research and development (R&D) tend to be the strongest and most consistent positive influence on productivity growth.

-- Most of NSF's investments are in university-based R&D programs which are competitively selected on their merit by members of the science and engineering community. These activities contribute to the nation's productivity by generating new scientific and engineering knowledge and contribute to the development of the next generation of scientists and engineers.

-- In FY 1992, NSF had $1 billion of unfunded proposals that were rated excellent through peer review.

-- Thus, it appears that NSF has the capacity to invest more funds in a broad range of important research areas, including research in improving our understanding of the climate system and improved engineering approaches to mitigate environmental problems; advanced computers and digital networks; biotechnology; materials processing; advanced manufacturing; math and science education; and smart highways, bridges, and other civil infrastructure.

-- Will create over 20,000 jobs.

NATIONAL SCIENCE FOUNDATION: Research and development -- $200 million (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
1993 Supplemental						
Budget authority......	188	---	---	---	---	---
Outlays...............	85	75	28	---	---	---

Most of NSF's investments are in university-based R&D programs which are competitively selected on their merit by members of the science and engineering community. These activities contribute to the nation's productivity by generating new scientific and engineering knowledge and contribute to the development of the next generation of scientists and engineers. In FY 1992, NSF had one billion dollars of unfunded proposals that were rated excellent through peer review. Thus, it appears that NSF has the capacity to invest more funds in a broad range of important research areas, including research in improving our understanding of the climate system, advanced supercomputers and digital computer networks, biotechnology, materials processing, advanced manufacturing, and math and science education. This proposal would restore NSF funding to roughly the level that was planned for in FY 1993.

NATIONAL SCIENCE FOUNDATION: High Performance Computing and Communications (Stimulus Proposal)

[See "Crosscutting Proposals/Selected Highlights by Subject]

NATIONAL SERVICE PROGRAM (Stimulus Proposal)

	1993	1994	1995	1996	1997	1998
Budget authority........	15	---	---	---	---	---
Outlays.................	12	3	---	---	---	---

This proposal will be the first step in developing a national service program. It will launch a high-profile effort and capture the public imagination, train a core group of leaders who will be ready to serve when national service legislation is enacted, and quickly demonstrate the good that national service can do. The program would involve 1,000 participants at four residential sites during the summer of 1993.

POSTAL SERVICE: Outstanding Postal Liabilities (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
---	-347	-347	-347	---	-1,041	-1,041

These payments represent final Postal Service obligations to the Federal government for retired postal employees pension and health care costs. Payments currently required do not fully offset these costs. This proposal would amortize the remaining liability ($946 million) into three annual payments of $347 million beginning in FY 1995.

SECURITIES AND EXCHANGE COMMISSION: Registration Fees (Entitlement Program Savings Proposal)

1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
-44	-46	-48	-50	-52	-188	-240

In FY 1993 we project the Securities and Exchange Commission (SEC) registration fees will generate $190 million for the General Fund of the Treasury. The base fee stipulated in authorization language and deposited in the General Fund of the Treasury would be raised from 1/50th of one percent to 1/40th of one percent. The numbers shown above are additional Treasury receipts generated by this proposal.

SECURITIES AND EXCHANGE COMMISSION: Registration Fees (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-47	-50	-52	-54	-56	-203	-259
Outlays................	-47	-50	-52	-54	-56	-203	-259

Raise the fee charged by the SEC to applicants filing securities registration statements. The offsetting collection fee rate, specified in appropriations language and deposited against the SEC's appropriation, would be increased from the difference between 1/50th and 1/32nd of one percent to the difference between 1/40th and 1/24th of one percent of the securities face value. In FY 1993 we project registration fees will fund $107 million of the SEC's budget. The numbers shown above are additional collections generated by this proposal.

SOCIAL SECURITY ADMINISTRATION: Taxable Income (Entitlement Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
	-2,700	-5,600	-6,200	-6,900	-7,700	-21,400	-29,100

Increases from 50 percent to 85 percent the amount of OASDI and RRB Tier I benefits included in taxable income and subject to income tax at the current thresholds of $25,000 for individuals/$32,000 couples. Under current law, all revenues from taxation of OASDI benefits are credited to the Social Security trust funds which are "off-budget" and would count as an "on budget outlay." Alternatively, the additonal revenues could be retained in the General Fund. The proposal moves Social Security toward the taxation policy for private pension benefits.

TENNESSEE VALLEY AUTHORITY: Development Activities (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority......	-57	-59	-60	-63	-65	-239	-304
Outlays..............	-42	-46	-50	-50	-52	-188	-240

Terminate appropriations that fund fertilizer development and economic and community development activities. These programs are more appropriately the responsibility of private or state and local governments. The fertilizer industry (annual net sales of over $8 billion) is capable of funding fertilizer research activities. Such research should not be the responsibility of taxpayers. TVA's economic and community development activities, while meritorious, overlap similar efforts of other Federal programs that provide economic development assistance, such as the Economic Development Administration and HUD's Community Development Block Grants.

USIA: North-South Center Grant (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-9	-9	-9	-10	-10	-37	-47
Outlays................	-4	-9	-9	-10	-10	-32	-42

Proposal eliminates a Federal grant (earmarked by Congress) for the North-South Center at the University of Miami, which has activities that duplicate other programs. The Center will continue with private resources.

USIA: Russian Far East Technical Assistance Center (Non-Defense Discretionary Program Savings Proposal)

	1994	1995	1996	1997	1998	1994-97 Total	1994-98 Total
Budget authority.......	-2	-2	-2	-2	-2	-8	-10
Outlays................	-2	-2	-2	-2	-2	-8	-10

Proposal to eliminate a grant established by Congress for the University of Alaska which duplicates other programs.