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REVIEW OF THE PRESIDENT'S THIRD SPECIAL IMPOUNDMENT MESSAGE FOR FISCAL YEAR 1995

COMMUNICATION

FROM

THE COMPTROLLER GENERAL
THE GENERAL ACCOUNTING OFFICE

TRANSMITTING

A REVIEW OF THE PRESIDENT'S THIRD SPECIAL IMPOUNDMENT MESSAGE FOR FISCAL YEAR 1995, PURSUANT TO 2 U.S.C. 685

APRIL 4, 1995.—Referred to the Committee on Appropriations and ordered to be printed

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Comptroller General
of the United States

Washington, D.C. 20548

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March 21, 1995

The Honorable Newt Gingrich
Speaker of the House of Representatives

Dear Mr. Speaker:

On February 6, 1995, the President submitted to the Congress his third special impoundment message for fiscal year 1995. The third special message reports 23 proposed rescissions of budget authority. We have reviewed 16 of the proposed rescissions and, with the exceptions detailed in Enclosure I, found them to be in accordance with the Impoundment Control Act, 2 U.S.C. § 681, et seq., as amended. We have not yet completed work on seven of the rescissions.[1] Our Office will report the facts surrounding these rescissions as soon as the information is available.

The President must make the funds proposed for rescission available for obligation unless the Congress completes action on a rescission bill within the first 45-day period of continuous Congressional session after the day such proposal is received by the Congress. 2 U.S.C. § 683(b).

Enclosure I provides specific information with regard to seven of the rescissions which we believe will be useful to the Congress in its examination of the message. Enclosure II provides a list of the rescissions as proposed by the President.

Sincerely,

for James F. Hinchman

Comptroller General
of the United States

Enclosures

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[1] These proposed rescissions are: Department of Education R95-4, R95-5, R95-6, R95-7, R95-8 and R95-9; Department of Labor R95-15.

ENCLOSURE I

COMMENTS ON THE THIRD SPECIAL MESSAGE FOR FISCAL YEAR 1995

DEPARTMENT OF AGRICULTURE

R95-1

Public Law 480 Program accounts:
Public Law 480 account
Amount proposed for Rescission: $ 43,865,000
12X2277
Public Law 480 grants, title I, II and III
Amount proposed for Rescission: $ 98,635,000
12X2278

This proposal contains two rescissions in two separate accounts. In the first proposal, the President proposes rescinding loan subsidy budget authority for the so-called Public Law 480 Title I program. We have no comment regarding this component of the rescission proposal. The second Presidential proposal involves the grant portions of Public Law 480 Title I, II and III programs. In this second proposal, the justification states that Public Law 480 title III grants will be phased out by fiscal year 1997. AID officials that administer the program advised our Office that they were not consulted on this rescission proposal. The agency's position is that the program will be maintained at a reduced level and targeted only to the poorest countries. Furthermore, the estimated program effect submitted by the President is to "speed up the elimination" of the Title III program and shift from food aid to direct assistance. AID officials advise that no decision has been made to terminate the program. Also, AID officials do not think it likely that cuts in food aid will be replaced by cash assistance. They assert that there have been no discussions relating to replacing food aid with other assistance.

Also, according to the latest apportionment statement, dated February 14, 1995, for the Public Law 480 Title I, II and III grants account, total budgetary resources in the account are $1,032,542,000 and not 1,007,542,000 as reported by the President. The difference represents $ 25,000,000 in ocean freight differential expected from the Department of Transportation.

ENCLOSURE I

DEPARTMENT OF COMMERCE

R95-3

National Telecommunications and Information Administration
Public Broadcasting Facilities, Planning and Construction
Amount Proposed for Rescission: $18,000,000
13X0551

The President proposes a rescission in the Public Broadcasting Facilities account for the purpose of reducing funding for equipment purchases for distance learning applications. However, according to NTIA's Budget Office, grants for replacement of equipment for distance learning applications are awarded from the Telecommunications and Information Infrastructure Assistance Program rather than the account in which the President proposes the rescission. NTIA has also stated that grants will continue to be awarded for the replacement of equipment at public broadcasting facilities.

ENVIRONMENTAL PROTECTION AGENCY

R95-18

Abatement, Control and Compliance
Amount proposed for Rescission: $ 11,641,805
685/60108

This proposal has been withdrawn and replaced with rescission proposals R95-18A, R95-18B, and R95-18C.

R95-18C
R95-18C-1

Abatement, Control and Compliance
Research and Development
Amount proposed for Rescission: $ 3,635,000
685/60107

On February 22, 1995, the President submitted a report revising rescission number R95-18C. The revised rescission proposal, number R95-18C-1, proposes to rescind $735,000 in different budget authority than the budget authority proposed for rescission in R95-18C. The $735,000 originally proposed for rescission in the agricultural/livestock pollution abatement program was obligated in late January. Therefore, in R95-18C-1, the President proposes a $735,000 rescission in the same program (agricultural/livestock pollution abatement) to be derived from additional "procurement savings". Thus, the total amount proposed for rescission in this Research and Development account remains the same.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

R95-10

Health Resources and Services Administration
Health Resources and Services
Amount proposed for Rescission: $ 29,147,000
7550350

According to agency officials this rescission proposal will eliminate funding for podiatric medicine and chiropractic demonstration grants. For the 27 other grant programs, the rescission proposal reduces funding only for new projects; all current on-going activities will continue to be funded through fiscal year 1995.[2] Furthermore, according to the latest apportionment statement for this account, dated February 3, 1995, total budgetary resources are $ 3,208,158,000 and not $3,192,135,000 as reported by the President. The difference is due to higher estimated reimbursements and other income for fiscal year 1995.

R95-12

National Institutes of Health
National Center for Research Resources
Amount proposed for Rescission: $ 1,000,000
7559915

According to the latest apportionment statement for this account dated January 27, 1995, total budgetary resources are $ 368,786,000 and not $ 368,926,000, as reported by the President. The apportionment statement notes that Public Law 103-333, 108 Stat. 2539 (1994), specifies that $140,000 is not available to NIH for obligation.

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[2] Although we did not comment on this rescission, on January 12, 1995, GAO testified on opportunities to realize savings in the HHS budget before the Subcommittee on Labor Health and Human Services, Education and Related agencies, House Committee on Appropriations. GAO/T-HEHS-95-57.

ENCLOSURE I

DEPARTMENT OF TRANSPORTATION

R95-17	**Office of the Secretary** **Payments to Air Carriers (Airport and Airway Trust Fund)** **Amount proposed for Rescission: $ 7,680,000** **69X8304**

According to agency officials, this proposal was rejected by OMB, therefore the Department of Transportation did not withhold the funds from obligation. The Office of Management and Budget confirms that these funds were not withheld from obligation and the funds were made available to the agency for obligation. This change will be noted in the next cumulative report.

ENCLOSURE II

CONTENTS OF SPECIAL MESSAGE
(In thousands of dollars)
(as reported by the President)

Rescission No.	ITEM	Budgetary Resources
	Department of Agriculture:	
	Foreign Agricultural Service:	
	Public Law 480 Program Accounts:	
R95-1	Public Law 480 program account	43,865
	Public Law 480 grants, title I (OFD), II, and III	98,635
	Food and Nutrition Service:	
R95-2	Food stamp program	2,900
	Department of Commerce:	
	National Telecommunications and Information Administration:	
R95-3	Public broadcasting facilities, planning and construction	18,000
	Department of Education:	
	Office of Elementary and Secondary Education:	
R95-4	School improvement programs	138,084
	Office of Vocational and Adult Education:	
R95-5	Vocational and adult education	43,888
	Office of Postsecondary Education:	
R95-6	Higher education	26,903
R95-7	College housing and academic facilities loans program	168
	Office of Educational Research and Improvement:	
R95-8	Education research, statistics, and improvement	750
R95-9	Libraries	12,942
	Department of Health and Human Services:	
	Health Resources and Services Administration:	
R95-10	Health resources and services	29,147
	Centers for Disease Control and Prevention:	
R95-11	Disease control, research, and training	1,300
	National Institutes of Health:	
R95-12	National Center for Research Resources	1,000

CONTENTS OF SPECIAL MESSAGE
(in thousands of dollars)

Rescission No.	ITEM	Budgetary Resources
	Department of Housing and Urban Development:	
	Housing Programs:	
R95-13	Annual contributions for assisted housing	439,200
R95-14	Congregate services	37,000
	Department of Labor:	
	Bureau of Labor Statistics:	
R95-15	Salaries and expenses	1,100
	Department of Transportation:	
	Federal Railroad Administration:	
R95-16	Local rail freight assistance	13,216
	Office of the Secretary:	
R95-17	Payments to air carriers (Airport and airway trust fund)	7,680
	Environmental Protection Agency:	
R95-18	Abatement, control, and compliance	11,642
R95-18A	Abatement, control, and compliance	(4,807)
R95-18B	Water infrastructure financing	(3,200)
R95-18C	Research and development	(3,635)
	National Aeronautics and Space Administration:	
R95-19	Mission support	1,000
R95-20	Construction of facilities	27,000
	Small Business Administration:	
R95-21	Salaries and expenses	15,000
	Other Independent Agencies:	
	Chemical Safety and Hazard Investigation Board:	
R95-22	Salaries and expenses	500
	National Science Foundation:	
R95-23	Academic research infrastructure	131,867
	Total, rescissions	1,102,787

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