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107TH CONGRESS, 1st Session | HOUSE OF REPRESENTATIVES | REPORT 107–159

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, 2002

JULY 25, 2001.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

REPORT

together with

MINORITY VIEWS

[To accompany H.R. 2620]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2002, and for other purposes.

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SUMMARY OF THE BILL

The Committee recommends $112,616,553,000 in new budget (obligational) authority for the Departments of Veterans Affairs and Housing and Urban Development, and 20 independent agencies and offices. This is $7,483,225,000 above the 2001 appropriations level.

The following table summarizes the amounts recommended in the bill in comparison with the appropriations for fiscal year 2001 and budget estimates for fiscal year 2002.

SUMMARY OF BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL (Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	Bill	Bill vs. Enacted	Bill vs. Request
Agency for Toxic Substances and Disease Registry	75,000	78,235	78,235	+3,235	.....
American Battle Monuments Commission	28,000	28,466	35,466	+7,466	+7,000
Cemeterial Expenses, Army	17,949	18,437	22,537	+4,588	+4,100
Chemical Safety and Hazard Investigation Board	7,500	7,621	8,000	+500	+379
Community Development Financial Institutions	118,000	67,948	80,000	-38,000	+12,052
Consumer Product Safety Commission	52,500	54,200	54,200	+1,700	.....
Corporation for National and Community Service	433,500	416,480	5,000	-428,500	-411,480
Council on Environmental Quality and Office of Environmental Quality	2,900	2,974	2,974	+74	.....
Court of Appeals for Veterans Claims	12,445	13,221	13,221	+776	.....
Department of Housing and Urban Development	28,590,735	30,580,617	29,979,968	+1,389,233	-600,649
Department of Veterans Affairs	47,011,923	50,686,213	51,353,821	+4,341,898	+667,608
Environmental Protection Agency	7,828,851	7,316,599	7,545,445	-283,406	+228,846
Federal Consumer Information Center Fund	7,122	7,276	7,276	+154	.....
Federal Deposit Insurance Corporation (transfer)	(33,660)	(33,660)	(33,660)	.....	.....
Federal Emergency Management Agency	2,439,800	2,212,945	3,557,352	+1,117,552	+1,344,407
National Aeronautics and Space Administration	14,285,300	14,511,400	14,951,400	+666,100	+440,000
National Credit Union Administration	1,000	1,000	1,000	.....	.....
(Limitation on direct loans)	(1,500,000)	(1,500,000)	(1,500,000)	.....	.....
National Institute of Environmental Health Sciences	63,000	70,228	70,228	+7,228	.....
National Science Foundation	4,426,122	4,472,520	4,840,160	+414,038	+367,640
Neighborhood Reinvestment Corporation	90,000	95,000	105,000	+15,000	+10,000
Office of Science and Technology Policy	5,201	5,267	5,267	+66	.....
Selective Service System	24,480	25,003	25,003	+523	.....
Other provisions	3,000	.....	.....	-3,000	.....
Budget scorekeeping adjustments	-391,000	4,196,000	-125,000	+266,000	-4,321,000
Grand total	105,133,328	114,867,650	112,616,553	+7,483,225	-2,251,097

TITLE I

DEPARTMENT OF VETERANS AFFAIRS

Fiscal year 2002 recommendation	$51,353,821,000
Fiscal year 2001 appropriation	[1] 47,948,336,000
Fiscal year 2002 budget request	50,686,213,000
Comparison with fiscal year 2001 appropriation	+3,364,485,000
Comparison with fiscal year 2002 budget request	+667,608,000

[1] Includes supplemental requests for Compensation and Readjustment benefits totaling $936,413,000.

The Department of Veterans Affairs is the third largest Federal agency in terms of employment with an average employment of approximately 205,000. It administers benefits for more than 25,000,000 veterans, and 45,500,000 family members of living veterans and survivors of deceased veterans. Thus, close to 70,000,000 people, comprising about 25 percent of the total population of the United States, are potential recipients of veterans benefits provided by the Federal Government.

A total of $51,353,821,000 in new budget authority is recommended by the Committee for the Department of Veterans Affairs programs in fiscal year 2002. The funds recommended provide for compensation payments to 2,681,132 veterans and survivors of deceased veterans with service-connected disabilities; pension payment for 587,448 non-service-connected disabled veterans, widows and children in need of financial assistance; education training tuition assistance, and vocational assistance of 672,200 veterans, servicepersons, and reservists, and 50,320 eligible dependents of deceased veterans or seriously disabled veterans; housing credit assistance in the form of 240,000 guaranteed loans provided to veterans and servicepersons; administration or supervision of life insurance programs with 4,289,330 policies for veterans and active duty servicepersons providing coverage of $554,273,500,000; inpatient care and treatment of beneficiaries in 172 medical centers, 43 domiciliaries, 135 nursing homes and 876 outpatient clinics which includes independent, satellite, community-based, and rural outreach clinics involving 40,634,000 visits; and the administration of the National Cemetery Administration for burial of eligible veterans, servicepersons, and their survivors.

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

(INCLUDING TRANSFERS OF FUNDS)

Fiscal year 2002 recommendation	$24,944,288,000
Fiscal year 2001 appropriation	[1] 23,355,689,000
Fiscal year 2002 budget request	24,944,288,000
Comparison with fiscal year 2001 appropriation	+1,588,599,000
Comparison with fiscal year 2002 budget request	0

[1] Includes a supplemental request of $589,413,000.

This appropriation provides funds for service-connected compensation payments to an estimated 2,681,132 beneficiaries and pension payments to another 587,448 beneficiaries with non-service-connected disabilities. The average cost per compensation case in 2002 is estimated at $8,131, and pension payments are projected at a unit cost of $5,050. The estimated caseload and cost by program for 2001 and 2002 are as follows:

	2001	2002	Difference
Caseload:			
Compensation:			
Veterans	2,324,225	2,371,834	+47,609
Survivors	306,842	308,316	+1,474
Children	936	982	+46
Clothing allowance (non-add)	(76,285)	(76,234)	(−51)
Pensions:			
Veterans	360,724	352,033	−8,691
Survivors	249,142	235,415	−13,727
Minimum income for widows (non-add)	(558)	(523)	(−35)
Vocational training (non-add)	(5)	(3)	(−2)
Burial allowances	91,740	93,740	+2,000
Funds:			
Compensation:			
Veterans	$16,621,523,000	$17,939,507,000	+$1,317,984,000
Survivors	3,676,267,000	3,805,051,000	+128,784,000
Children	13,431,000	14,808,000	+1,377,000
Clothing allowance	41,687,000	41,652,000	−35,000
Payment to GOE (Public Laws 101–508 and 102–568)	1,266,000	1,286,000	+20,000
Medical exams pilot program (Public Law 104–275)	26,701,000	28,749,000	+2,048,000
Pensions:			
Veterans	2,312,739,000	2,306,208,000	−6,531,000
Survivors	683,736,000	656,848,000	−26,888,000
Minimum income for widows	3,585,000	3,444,000	−141,000
Vocational training	6,000	4,000	−2,000
Payment to GOE (Public Laws 101–508, 102–568, and 103–446)	8,521,000	8,564,000	+43,000
Payment to medical care (Public Laws 101–508 and 102–568)	7,632,000	8,090,000	+458,000
Payment to medical facilities (non-add)	(2,207,000)	(2,320,000)	(+113,000)
Burial benefits	129,837,000	130,300,000	+463,000
Other assistance	3,212,000	3,221,000	+9,000
Unobligated balance and transfers	−174,455,000	−3,444,000	+171,011,000
Total appropriation [1]	23,355,689,000	24,944,288,000	+1,588,599,000

[1] Totals do not add due to rounding.

For fiscal year 2002, the Committee is recommending the budget estimate of $24,944,288,000 for compensation and pensions. The bill also includes requested language not to exceed $17,940,000 in reimbursements of which $9,850,000 is transferred to the General Operating Expenses account and $8,090,000 to the Medical Care account for administrative expenses of implementing cost saving provisions required by the Omnibus Budget Reconciliation Act of 1990, Public Law 101–508, the Veterans' Benefits Act of 1992, Public Law 102–568, and the Veterans' Benefits Improvements Act of 1994, Public Law 103–446. These cost savings provisions include verifying pension income against Internal Revenue Service and Social Security Administration (SSA) data; establishing a match with the SSA to obtain verification of Social Security numbers; and the $90 monthly Department pension cap for Medicaid-eligible single veterans and surviving spouses alone in Medicaid-covered nursing homes. Also, the bill includes requested language permitting this appropriation to reimburse such sums as may be earned to the Medical Facilities Revolving Fund to help defray the operating expenses of individual medical facilities for nursing home care provided to pensioners.

The Administration has proposed language that would provide indefinite 2002 supplemental appropriations for compensation and

pension payments. The Committee believes the current funding procedures are adequate and has not included the requested language in the bill.

READJUSTMENT BENEFITS

Fiscal year 2002 recommendation	$2,135,000,000
Fiscal year 2001 appropriation	[1] 1,981,000,000
Fiscal year 2002 budget request	2,135,000,000
Comparison with fiscal year 2001 appropriation	+154,000,000
Comparison with fiscal year 2002 budget request	0

[1] Includes a supplemental request of $347,000,000.

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

The Committee recommends the budget estimates of $2,135,000,000 for readjustment benefits in fiscal year 2002. The Administration has proposed language that would provide indefinite 2002 supplemental appropriations for readjustment benefits. The Committee believes the current funding procedures are adequate and has not included the requested language in the bill.

The estimated number of trainees and costs by program for 2001 and 2002 are as follows:

	2001	2002	Difference
Number of trainees:			
Education and training: dependents	47,107	50,320	+3,213
All-Volunteer Force educational assistance:			
Veterans and servicepersons	324,300	334,300	+10,000
Reservists	71,500	70,500	−1,000
Vocational rehabilitation	53,250	53,400	+150
Tuition assistance	161,000	214,000	+53,000
Total	657,157	722,520	+65,363
Funds:			
Education and training: dependents	$173,694,000	$186,036,000	+$12,342,000
All-Volunteer Force educational assistance:			
Veterans and servicepersons	1,356,150,000	1,444,752,000	+88,602,000
Reservists	115,850,000	123,504,000	+7,654,000
Vocational rehabilitation	419,200,000	432,100,000	+12,900,000
Tuition assistance	24,900,000	34,500,000	+9,600,000
Licensing and certification tests	2,860,000	16,860,000	+14,000,000
Housing grants	22,805,000	22,805,000	0
Automobiles and other conveyances	7,947,000	7,947,000	0
Adaptive equipment	27,500,000	27,500,000	0

	2001	2002	Difference
Work-study	50,500,000	49,500,000	−1,000,000
Payment to States	14,000,000	14,000,000	0
Reporting fees	3,052,000	3,500,000	+448,000
Unobligated balance and other adjustments [1]	−237,458,000	−228,004,000	+9,454,000
Total appropriation	1,981,000,000	2,135,000,000	+154,000,000

[1] Includes offsetting collections.

VETERANS INSURANCE AND INDEMNITIES

Fiscal year 2002 recommendation	$26,200,000
Fiscal year 2001 appropriation	19,850,000
Fiscal year 2002 budget request	26,200,000
Comparison with fiscal year 2001 appropriation	+6,350,000
Comparison with fiscal year 2002 budget request	0

The Veterans Insurance and Indemnities appropriation is made up of the former appropriations for military and naval insurance, applicable to World War I veterans; national service life insurance (NSLI), applicable to certain World War II veterans; servicemen's indemnities, applicable to Korean conflict veterans; and the veterans mortgage life insurance, applicable to individuals who have received a grant for specially adapted housing.

The budget estimate of $26,200,000 for veterans insurance and indemnities in fiscal year 2002 is included in the bill. The amount provided will enable the Department to transfer more than $18,760,000 to the service-disabled veterans insurance fund and transfer $8,260,000 in payments for the 3,250 policies under the veterans mortgage life insurance program. These policies are identified under the veterans insurance and indemnity appropriation since they provide insurance to service-disabled veterans unable to qualify under basic NSLI.

The Administration has proposed language that would eliminate the need for a supplemental request. The Committee believes the current funding procedures are adequate and has not included the requested language in the bill.

VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Program account	Limitation on direct loans	Administrative expenses
Fiscal year 2002 recommendation	$203,278,000	$300,000	$164,497,000
Fiscal year 2001 appropriation	165,740,000	300,000	162,000,000
Fiscal year 2002 budget request	203,278,000	300,000	164,497,000
Comparison with fiscal year 2001 appropriation	+37,538,000	0	+2,497,000
Comparison with fiscal year 2002 budget request	0	0	0

The purpose of the VA home loan guaranty program is to facilitate the extension of mortgage credit on favorable terms by private lenders to eligible veterans. This appropriation provides for all costs, with the exception of the native American veterans housing loan program, of the Department's direct and guaranteed loans programs. The Federal Credit Reform Act of 1990 requires budgetary resources to be available prior to incurring a direct loan obligation or a loan guarantee commitment. In addition, the Act requires all administrative expenses of a direct or guaranteed loan program to be funded through a program account.

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

The Committee recommends such sums as may be necessary (estimated to total $203,278,000) for funding subsidy payments, $300,000 for the limitation on direct loans, and $164,497,000 for administrative expenses which is the budget request. The appropriation for administrative expenses may be transferred to and merged with the General Operating Expenses account.

The Committee does not recommend the Administration's proposal to eliminate the Secretary's authority (38 U.S.C. 3733) to finance the sale of acquired properties.

EDUCATION LOAN FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Program account	Limitation on direct loans	Administrative expenses
Fiscal year 2002 recommendation	$1,000	$3,400	$64,000
Fiscal year 2001 appropriation	1,000	3,400	220,000
Fiscal year 2002 budget request	1,000	3,400	64,000
Comparison with fiscal year 2001 appropriation	0	0	−156,000
Comparison with fiscal year 2002 budget request	0	0	0

This appropriation covers the cost of direct loans for eligible dependents and, in addition, it includes administrative expenses necessary to carry out the direct loan program. The Federal Credit Reform Act of 1990 requires budgetary resources to be available prior to incurring a direct loan obligation. In addition, the Act requires all administrative expenses of a direct loan program to be funded through a program account.

The bill includes the budget requests of $1,000 for funding subsidy program costs, $3,400 as the limitation on direct loans, and $64,000 for administrative expenses. The appropriation for administrative expenses may be transferred to and merged with the General Operating Expenses account.

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Program account	Limitation on direct loans	Administrative expenses
Fiscal year 2002 recommendation	$72,000	$3,301,000	$274,000
Fiscal year 2001 appropriation	52,000	2,726,000	432,000
Fiscal year 2002 budget request	72,000	3,301,000	274,000
Comparison with fiscal year 2001 appropriation	+20,000	+575,000	−158,000
Comparison with fiscal year 2002 budget request	0	0	0

This appropriation covers the funding subsidy cost of direct loans for vocational rehabilitation of eligible veterans and, in addition, it

includes administrative expenses necessary to carry out the direct loan program. Loans of up to $866 (based on indexed chapter 31 subsistence allowance rate) are available to service-connected disabled veterans enrolled in vocational rehabilitation programs when the veteran is temporarily in need of additional assistance. Repayment is made in 10 monthly installments, without interest, through deductions from future payments of compensation, pension, subsistence allowance, educational assistance allowance, or retirement pay. The Federal Credit Reform Act of 1990 requires budgetary resources to be available prior to incurring a direct loan obligation. In addition, the Act requires all administrative expenses of a direct loan program to be funded through a program account.

The bill includes the budget requests of $72,000 for funding subsidy program costs and $274,000 for administrative expenses. The administrative expenses may be transferred to and merged with the General Operating Expenses account. In addition, the bill includes requested language limiting program direct loans to $3,301,000. It is estimated that the Department will make 5,400 loans in fiscal year 2002, with an average amount of $611.

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

Administrative expenses:	
Fiscal year 2002 recommendation	$544,000
Fiscal year 2001 appropriation	532,000
Fiscal year 2002 budget request	544,000
Comparison with fiscal year 2001 appropriation	+12,000
Comparison with fiscal year 2002 budget request	0

This program is testing the feasibility of authorizing the Department to make direct home loans to native American veterans who live on U.S. trust land. This is a pilot program which began in 1993 and expires on December 31, 2001. The bill includes the budget request of $544,000 for administrative expenses, which may be transferred to and merged with the General Operating Expenses account.

GUARANTEED TRANSITIONAL HOUSING LOANS FOR HOMELESS VETERANS PROGRAM ACCOUNT

This program was established by Public Law 105–368, the Veterans Programs Enhancement Act of 1998. All funds authorized for this program were appropriated in fiscal year 2000. Therefore, no appropriation request has been included for fiscal year 2002. Bill language is included allowing the use of funds in Medical Care and General Operating Expenses to administer this program.

VETERANS HEALTH ADMINISTRATION

MEDICAL CARE

Fiscal year 2002 recommendation	$21,281,587,000
Fiscal year 2001 appropriation	20,281,587,000
Fiscal year 2002 budget request	20,979,742,000
Comparison with fiscal year 2001 appropriation	+1,000,000,000
Comparison with fiscal year 2002 budget request	+301,845,000

The Department of Veterans Affairs operates the largest Federal medical care delivery system in the country, with 172 medical cen-

ters, 43 domiciliaries, 135 nursing homes, and 876 outpatient clinics which include independent, satellite, community-based, and rural outreach clinics.

This appropriation provides for medical care and treatment of eligible beneficiaries in VA medical centers, nursing homes, domiciliaries, and outpatient clinic facilities; contract hospitals; State domiciliaries, nursing homes and hospitals; contract community nursing homes; and outpatient programs on a fee basis. Hospital and outpatient care are also provided by the private sector for certain dependents and survivors of veterans under the civilian health and medical programs for the Department of Veterans Affairs. Funds are also used to train medical residents, interns, and other professional, paramedical and administrative personnel in health-science fields to support the Department's medical programs.

The bill includes $21,281,587,000 for medical care in fiscal year 2002, an increase of $1,000,000,000 above the enacted level and $301,845,000 over the budget request. In addition, the Committee estimates $812,000,000 will be collected and available from the Medical Care Collections Fund (MCCF).

The Committee is providing two-year spending authority for $500,000,000 of the Medical Care appropriation to provide the Department more planning flexibility year to year. The Committee emphasizes that the two-year funding provision is not meant to create "emergency funds" and that all resources should be spent in a timely and responsible manner addressing veterans health needs.

The bill includes language delaying the availability of $900,000,000 of funds requested for the equipment and land and structures object classifications until August 1, 2002. The budget requested the delayed availability of $675,000,000 of such funds. The bill also includes requested language in the Compensation and Pensions appropriation transferring $8,090,000 for administrative expenses of implementing cost saving provisions required by the Omnibus Budget Reconciliation Act of 1990, and the Veterans' Benefits Act of 1992.

The Committee has again included bill language limiting the amount the VA may obligate for maintenance and operations of medical facilities to $3,000,000,000, which should be allocated on a system other than VERA. The Committee strongly supports the Department's Capital Asset Realignment for Enhanced Services (CARES) initiative and believes that the Department desperately needs to address the issue of facility resource management.

The Committee, however, did not include the Administration's proposal to set-aside $30,000,000 in Medical Care to fund CARES projects. Instead, the Committee directed the set-aside of funds in both Major Construction and Minor Construction to address any construction projects resulting from the final CARES decisions. The Committee recommends that the $30,000,000 be redirected to support core VA treatment services in the areas of mental health, spinal cord injury, blindness, homelessness, substance abuse, physical rehabilitation, long-term care, traumatic brain injury, and women's health.

For a number of years GAO and the Committees on Veterans Affairs and Appropriations have been encouraging the VA and the Department of Defense (DOD) to work together to find ways to share resources and provide better health care for our Nation's

military, military retirees, and veterans. The number and scope of cooperative efforts in this area is under whelming. The Committee directs the VA, in cooperation with DOD, to submit to the Committees on Appropriations a credible plan by September 1, 2002 for no less than three demonstration sites where the VA and DOD will fully integrate operations, billing and records, and treatment. Further, the Committee directs the VA to include in the plan VA/DOD sharing options that complement CARES principles.

Additionally, the Committee strongly urges the VA to continue working with DOD to create a shared computer-based patient record system.

The Committee is again extremely concerned this year about the lack of progress made by the VA on collection efforts for "third party/first party" revenues. Continuing on this course that permits millions of dollars of revenue from third parties to go uncollected is not acceptable. The Committee has included funding for the VA to initiate a demonstration for a minimum period of two years of a total Patient Financial Services system that will be compatible with the existing VA financial system and will supplement it to overcome the existing system shortcomings. The Secretary shall undertake this effort by obtaining a private sector contractor to install and operate this system as a prototype at the hospitals and clinics of a single VISN. The demonstration shall include the software, hardware, networks, interfaces, and other resources to provide all the functionality necessary to solve the current deficiencies, including: the capability to verify other coverage or other responsibility to pay for treatment, the capability to determine what the nature of the third party coverage, the capability to accurately accumulate all charges for services provided, the capability to insure that the treatment provided is properly coded, the capability to produce timely and accurate bills, and the capability to adequately manage the entire collection processes. Cost sharing with the contractor combined with cost recovery incentives may be considered in the development of this demonstration. Accordingly, the Committee directs that the effort of this demonstration be not less than $3,000,000.

The Secretary is required by law, when determining the VA's enrollment capabilities, to "ensure that the provision of care to enrollees is timely and acceptable in quality." In this regard, the Committee is extremely concerned that enrolled veterans, especially those veterans in priority categories 1–6, are not able to access health care in a reasonably timely manner. Therefore, the Committee directs the VA to continue providing medical care for all upper-priority veterans and those veterans already enrolled in the VA medical care system. The Committee further directs that the Secretary, prior to making the fiscal year 2002 enrollment decision, report to the Committees on Appropriations the enrollment decision and justification. The Committee strongly urges the Secretary to limit the enrollment of new priority seven veterans in VISNs where receipt collection is below 50 percent of the billed amounts.

The Committee is aware the President signed the Veteran's Survivor Benefits Improvement Act of 2001, (Public Law 107–14) on June 5, 2001. The benefits included in that legislation were not included in the Department's fiscal year 2002 budget request and no funds in this Act have been identified to provide those benefits. The

Committee recommends that the Administration deliver an official budget amendment to the Committees on Appropriation prior to any conference activities to ensure that this new legislation is adequately funded in fiscal year 2002.

The Committee expects the VA to ensure that its medical facilities consistently make testing for hepatitis C broadly available to veterans and use all available funds and therapies in the most clinically appropriate manner. The Committee urges the VA to work closely with veterans' service organizations and other entities to mount a comprehensive public service education and outreach campaign to screen veterans who may have been exposed. Further, the Committee directs the leadership of VHA to communicate this expectation with every VISN and facility director in the veterans health care system.

The Committee believes that the funding level for mental health treatment and services should not be less than that provided in fiscal year 2001. In addition, the Committee strongly encourages the Department to establish two new Mental Illness Research, Education and Clinical Centers in fiscal year 2002.

The Committee strongly urges the Department to expand its mental health intensive case management program and report semi-annually, beginning four months after the date of enactment, on the number of veterans covered by case management programs. The expansion of this very successful program should not come from funds already identified in the budget justification materials for mental health services.

The Committee directs the Department to immediately suspend the fail first policy as applied to anti-psychotic medications and to stop the promulgation of any new schizophrenia treatment guidelines until the National Institute of Mental Health presents the results of the Clinical Anti-Psychotic Trials of Intervention Effectiveness Project, which is studying whether, and the circumstances in which, certain atypical anti-psychotic medications may have significant advantages over the others.

The Committee is concerned that VISN directors are ignoring simple population statistics when moving or consolidating medical services from one facility to another. Critical care services should remain at the facility serving the greater number of enrolled and vested veterans and not moved to a facility serving fewer enrolled and vested patients. The Committee strongly discourages the VA from permitting the transfer of critical care services away from one central location serving the larger portion of veterans in the VISN.

The Committee continues to support the Joslin Diabetes Center and VA deployment and refinement of the Joslin Vision Network (JVN) in several VISNs across the VA health care system. The Committee has been informed of the VA's intent to incorporate the JVN as a telemedicine platform component within VA medical protocol in the near future. Therefore, the Committee encourages the VA to initiate new pilot sites and assist wiith further technical advancement of the JVN technology and software compatibility toward off-the-shelf deployment and integration into the VA health care system.

The Committee has become increasingly concerned that as the veterans population ages and more facilities are integrating and consolidating services, transportation to VA facilities becomes a

greater obstacle for veterans. The Committee requests that the Department report on the transportation options available to veterans and the adequacy of those options four months from the date of enactment of this Act.

The Committee encourages the Department to submit a report within four months of enactment of this Act on the cost and effectiveness of the hospital contract program in east central Florida and the feasibility of expanding such a program to other locations with similar conditions.

The Committee urges the Department to address the critical problem of periodontal disease among the veterans population.

The Committee encourages the VA to increase the number of VA Centers for Women Veterans and other women's health initiatives.

The Committee urges the Department to create two new Geriatric Research, Education and Clinical Centers (GRECC) in fiscal year 2002, giving first priority to those VISNs that currently do not have a GRECC.

The Committee encourages the Department to establish community based outpatient clinics in Toledo, Ohio; St. Tammany Parish, Louisiana; Passaic County, New Jersey; and Montrose, Pennsylvania; and Storm Lake, Iowa.

The Committee encourages the development of a dementia-related illness treatment program in North Carolina and a hydrotherapy treatment program in Connecticut.

Last year the Committee expressed its concern that many of the antibiotics upon which modern medicine relies are becoming ineffective and suggested that VA hospitals and clinics can serve as innovators and examples for other hospitals on this important public health matter. The Committee strongly urges the VA to develop, implement and evaluate innovative antibiotic-use practices, including the routine use of vaccinations against streptococcus pneumonia among elderly and immunocompromised veterans and their dependents.

The Committee stands behind the commitments Congress made in the Veterans Millennium Health Care and Benefits Act (P.L. 106–117) to provide veterans with additional long-term care and emergency care services. The Committee is concerned that the budget request may not adequately take into account the demand for these enhanced services. The Committee urges the Administration to include full funding for the Veterans Millennium Health Care and Benefits Act in its Fiscal Year 2003 budget request. The Committee directs the Secretary of Veterans Affairs and the Director of the Office of Management and Budget to report by December 1, 2001, on the steps being taken to ensure adequate funding and full implementation of the Veterans Millennium Health Care and Benefits Act.

MEDICAL CARE COLLECTIONS FUND

(INCLUDING TRANSFER OF FUNDS)

The Committee expects the Department to collect $812,000,000 from first and third party payers in fiscal year 2002. Bill language is included transferring those receipts to the Medical Care account to remain available until expended.

MEDICAL AND PROSTHETIC RESEARCH

Fiscal year 2002 recommendation	$371,000,000
Fiscal year 2001 appropriation	351,000,000
Fiscal year 2002 budget request	360,237,000
Comparison with fiscal year 2001 appropriation	+20,000,000
Comparison with fiscal year 2002 budget request	+10,763,000

This account includes medical, rehabilitative and health services research. Medical research is an important aspect of the Department's programs, providing complete medical and hospital services for veterans. The prosthetic research program is also essential in the development and testing of prosthetic, orthopedic and sensory aids for the purpose of improving the care and rehabilitation of eligible disabled veterans, including amputees, paraplegics and the blind. The health service research program provides unique opportunities to improve the effectiveness and efficiency of the health care delivery system. In addition, budgetary resources from a number of areas including appropriations from the medical care account; reimbursements from the Department of Defense; and grants from the National Institutes of Health, private proprietary sources, and voluntary agencies provide support for the Department's researchers.

The Committee recommends $371,000,000 for medical and prosthetic research in fiscal year 2002. This funding level is $20,000,000 over the fiscal year 2001 appropriation and $10,763,000 over the budget request.

The Committee encourages the Department to expand research opportunities in the areas of integrative neuroscience, mental illness, substance abuse, lymphoid malignancies and Agent Orange-related conditions.

The Committee is encouraged by the progress made by the VA and the National Technology Transfer Center during the past year in identifying promising VA technological advances that offer the potential for commercial applications. The Committee strongly urges that this partnership should be continued at the current level of effort and that a targeted partnership identification process is essential to the successful marketing and licensing process.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

Fiscal year 2002 recommendation	$66,731,000
Fiscal year 2001 appropriation	62,000,000
Fiscal year 2002 budget request	67,628,000
Comparison with fiscal year 2001 appropriation	+4,731,000
Comparison with fiscal year 2002 budget request	−897,000

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

The bill provides $66,731,000, an increase of $4,731,000 from the fiscal year 2001 funding level and $897,000 below the budget request which reflects the Department's decision to move the function of asset management to the Office of the Chief Financial Officer which is funded in the General Operating Expenses account.

The Committee is concerned that in the momentum to decentralize the veterans health care system, the VA is not providing the leadership necessary to guarantee quality healthcare and sound fiscal management across the system. Three examples are in the areas of hepatitis C, National Reserve Fund allocations, and collections.

As GAO recently pointed out in the report, "Observations on VA's Assessment of Hepatitis C Budgeting and Funding," VISN directors reported that they were not aware that funding had been requested for hepatitis C related programs in the Department's fiscal year 2001 budget and subsequently provided in the appropriation or that the VA was strongly advocating screening and testing of affected veterans. The Committee applauds the Department's decision to move the hepatitis C program to the office of public health and recognizes that more veterans are now being screened, but the Committee is incredulous that hepatitis C screening, education and treatment was not made a part of each VISN director's 2001 performance agreement.

Similarly, the Committee is deeply concerned about how the Department is going to assist those VISNs which requested supplemental funding for a second consecutive year. The Committee supports the National Reserve and the process to evaluate those needs. However, the Committee questions the rationale for giving loans requiring repayment from the National Reserve to VISNs needing supplemental funding the year before.

Finally, the VA has never consistently met its anticipated collections goals. Much of the receipt short-fall was attributed to collections and billing being a new responsibility for the VA system, the inability of VA to bill for reasonable charges and the lack of Medicare subvention. However, further investigation shows that many VISNs and facilities have still not developed the systems required to fully collect on medical billing, leaving some VISNs with a large sum of accounts receivable, but a very small balance in the collections fund.

The Committee directs the VA to accept immediate authority and responsibility for providing guidance and definite performance measures in the areas of fiscal management and maintaining core service to veterans. The VA is further directed to submit with the fiscal year 2002 operating plan the signed performance agreements of all 22 VISN directors, action plans for each VISN on how that VISN will improve collection rates, and financial reports from the three VISNs which received supplemental loans and funding for the second consecutive year summarizing how those VISNs have become financially sound.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

Fiscal year 2002 recommendation	$1,195,728,000
Fiscal year 2001 appropriation	1,050,000,000
Fiscal year 2002 budget request	1,194,831,000
Comparison with fiscal year 2001 appropriation	+145,728,000
Comparison with fiscal year 2002 budget request	+897,000

The General Operating Expenses appropriation provides for the administration of non-medical veterans benefits through the Vet-

erans Benefits Administration (VBA) and top management direction and support. The Federal Credit Reform Act of 1990 changed the accounting of Federal credit programs and required that all administrative costs associated with such programs be included within the respective credit accounts. Beginning in fiscal year 1992, costs incurred by housing, education, and vocational rehabilitation programs for administration of these credit programs are reimbursed by those accounts. The bill includes the budget requests totaling $165,379,000 in other accounts for these credit programs. In addition, $9,850,000 is transferred from the Compensation and Pensions account for administrative costs of implementing cost saving provisions required by the Omnibus Budget Reconciliation Act of 1990 and the Veterans' Benefits Act of 1992. Section 107 of the administrative provisions provides requested language which permits excess revenues in three insurance funds to be used for administrative expenses. The Department estimates that $37,170,000 will be utilized for such purposes in fiscal year 2002. Prior to fiscal year 1996, such costs were included in the general operating expenses appropriation. Thus, in total, $1,639,437,000 is requested in fiscal year 2002 for administrative costs of non-medical benefits.

The Committee recommends $1,195,728,000 for General Operating Expenses in fiscal year 2002. This amount represents an increase of $145,728,000 above the current level and $897,000 above the budget request. The bill includes requested language allowing $60,000,000 of the funds appropriated to be available for obligation for two years, the purchase of four motor vehicles for the VBA office in Manila, Philippines, and a travel limitation of $15,665,000.

The Committee directs the VBA to be funded at not less than $955,352,000 as proposed in the budget justification. The Committee trusts that this budget request provides for the maximum number of new claims processors, both for compensation and pension and education, VBA could hire and train in fiscal year 2002. The Committee supports VBA's hiring initiative in both program and expects VBA to achieve the FTE increases requested in the budget request.

The recent legislation enacted at the beginning of fiscal year 2001 presented some challenges to the already strained benefits processing system. The Committee is in the process of providing supplemental funding from Medical Care in the pending supplemental legislation. However, the claims processing delay forecasted for fiscal year 2002 is unacceptable. The Committee is encouraged by the formation of the claims processing task force and is cautiously optimistic on hearing its findings. The Committee directs the Secretary, with the VBA leadership and recommendations of the task force, to present a plan to the Committees on Appropriations on how the Department will improve processing times, without sacrificing accuracy, by May 2002.

The Committee is concerned about GAO's findings published in the report, "Training for Claims Processors Needs Evaluation." The expeditious training of new veterans service representatives is essential to VBA's plan for reducing processing times. The Committee directs the Department to submit a comprehensive training plan by January 1, 2002. In the report, the Department should include a timeline detailing how long the training program will last for new

employees and by which standards the Department will use to determine the effectiveness of the training.

The Committee urges the Department to find a way to greatly reduce the administrative expenses of the various loan programs.

The Committee fully supports the new Office of Asset Enterprise Management and has provided $897,000 over the budget request to fund this function in the Office of the Chief Financial Officer. The Committee encourages the new office to catalog and evaluate all current leases held by the Department. The Committee directs that the Office create a policy for all VA leasing activities and communicate that policy to all VISN and office directors.

NATIONAL CEMETERY SYSTEM

Fiscal year 2002 recommendation	$121,169,000
Fiscal year 2001 appropriation	109,889,000
Fiscal year 2002 budget request	121,169,000
Comparison with fiscal year 2001 appropriation	+11,280,000
Comparison with fiscal year 2002 budget request	0

The National Cemetery Administration was established in accordance with the National Cemeteries Act of 1973. It has a fourfold mission: to provide for the interment in any national cemetery with available grave space the remains of eligible deceased service persons and discharged veterans, together with their spouses and certain dependents, and to permanently maintain their graves; to mark graves of eligible persons in national and private cemeteries; to administer the grant program for aid to States in establishing, expanding, or improving State veterans' cemeteries; and to administer the Presidential Memorial Certificate Program. This appropriation provides for the operation and maintenance of 152 cemeterial installations in 39 States, the District of Columbia, and Puerto Rico.

The Committee recommends $121,169,000 for the National Cemetery Administration in fiscal year 2002. This funding level is $11,280,000 over the 2001 level and the same as the budget request. The Committee is providing funds to meet needs associated with new cemeteries and the increased workload projected by the Department.

OFFICE OF INSPECTOR GENERAL

Fiscal year 2002 recommendation	$52,308,000
Fiscal year 2001 appropriation	46,464,000
Fiscal year 2002 budget request	48,308,000
Comparison with fiscal year 2001 appropriation	+5,844,000
Comparison with fiscal year 2002 budget request	+4,000,000

The Office of Inspector General was established by the Inspector General Act of 1978 and is responsible for the audit, investigation and inspection of all Department of Veterans Affairs programs and operations. The overall operational objective is to focus available resources on areas which would help improve services to veterans and their beneficiaries, assist managers of Department programs to operate economically in accomplishing program goals, and prevent and deter recurring and potential fraud, waste and inefficiencies.

The Committee has provided $52,308,000 for the Office of Inspector General in fiscal year 2002. This amount is an increase of $5,844,000 above the current year appropriation and $4,000,000 over the budget request. The Committee has provided additional

funding for the Office of Inspector General to hire up to its statutory floor. The Committee directs the IG to use the additional funds for increased oversight and review of the VA health care system.

CONSTRUCTION, MAJOR PROJECTS

Fiscal year 2002 recommendation	$183,180,000
Fiscal year 2001 appropriation	66,040,000
Fiscal year 2002 budget request	183,180,000
Comparison with fiscal year 2001 appropriation	+117,140,000
Comparison with fiscal year 2002 budget request	0

The construction, major projects appropriation provides for constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Department, including planning, architectural and engineering services, Capital Asset Realignment for Enhanced Services (CARES) activities, and site acquisition where the estimated cost of a project is $4,000,000 or more. Emphasis is placed on correction of life/safety code deficiencies in existing Department medical facilities.

The Department proposes a change in the appropriation language to allow available funds to be expended for activities related to the ongoing CARES studies. The Committee directs that $60,000,000 of the funds made available in this account be used for CARES activities. This will enable VA to fund advance planning, design development, construction documents, and construction for major capital initiatives stemming from the CARES recommendations. Any CARES related major construction project would continue to meet authorization (medical facilities $4,000,000 and over) and budgetary requirements (approved by Congress in the budgetary process). Ten million dollars of the $60,000,000 dedicated to CARES in the major construction fund has been included to accomplish the Phase III studies (the remaining 14 networks) to begin in FY 2002. If less than $10,000,000 is needed to perform the Phase III studies, the remaining balance may be used to fund other major construction CARES needs. However, none of the CARES studies or construction funds may be used for unplanned, site-specific, contractor-conducted "studies" to justify a project or series of projects at a facility or site which has not already been reviewed in a larger CARES study.

Appropriation language is included providing up to $20,000,000 for costs associated with land acquisitions for national cemeteries in the vicinity of Sacramento, California; Pittsburgh, Pennsylvania; and Detroit, Michigan. The Veterans Millennium Health Care and Benefits Act, Public Law 106–177, directs the Secretary of Veterans Affairs to establish six national cemeteries to serve veterans and their families.

The bill provides $183,180,000 for construction, major projects, in fiscal year 2002 as requested in the budget justification an increase of $117,140,000 over last year's funding level.

The specific amounts recommended by the Committee are as follows:

DETAIL OF BUDGET REQUEST

[In thousands of dollars]

Location and description	Available through 2001	2002 request	House recommendation
Medical Program:			
General: Miami, FL Utility Plant and Electrical Distribution	0	28,000	28,000
Advance planning fund: various stations	0	5,000	5,000
CARES Fund	0	60,000	60,000
Asbestos abatement: various stations	0	18,000	18,000
Subtotal, medical programs	0	111,000	111,000
Veterans Benefits Administration: Advance planning fund	0	1,500	1,500
National Cemetery Administration:			
Atlanta, GA Phase I Development	0	28,200	28,200
Massachusetts National Cemetery Columbaria Expansion/ Cemetery Improvement	0	9,200	9,200
Miami, FL National Cemetery Design	15,000	2,000	2,000
Tahoma, WA, National Cemetery Columbaria Expansion/ Cemetery Improvements	0	6,900	6,900
Land Acquisition	0	18,000	18,000
Design Fund	0	5,180	5,180
Subtotal, NCA	15,000	69,480	69,480
Claims Analyses: various stations	0	1,200	1,200
Total construction, major projects	$15,000	183,180	183,180 '

The Committee expects the Department to deliver the report outlining the country's veteran cemetery needs by the due date of December 31, 2001. The Committee further expects that the needs of New Mexico and Tennessee will be addressed in that report.

FACILITY REHABILITATION FUND

Fiscal year 2002 recommendation	$300,000,000
Fiscal year 2001 appropriation	0
Fiscal year 2002 budget request	0
Comparison with fiscal year 2001 appropriation	+300,000,000
Comparison with fiscal year 2002 budget request	+300,000,000

The Committee recommends $300,000,000 for a new construction account to provide for safety and seismic repairs to VA medical facilities and the rehabilitation of VA research facilities as authorized by H.R. 811, the Veterans Hospital Emergency Repair Act, as passed by the House of Representatives on March 27, 2001. No funds were provided in fiscal year 2001 or requested in the fiscal year 2002 budget request for this account. The bill language provides $30,000,000 exclusively for the rehabilitation of research facilities and $270,000,000 for safety and seismic repairs to medical facilities. The Committee recommends that all projects considered for funding also be subject to CARES criteria.

The bill includes language prohibiting new building construction without the Department first submitting a report to the Committees on Appropriations detailing how the construction of a new building will be the most cost-effective means of correcting infrastructure safety and seismic deficiencies at a specific location. The report should be submitted at least 30 days prior to the award of a design or construction contract.

CONSTRUCTION, MINOR PROJECTS

Fiscal year 2002 recommendation	$178,900,000
Fiscal year 2001 appropriation	170,840,000
Fiscal year 2002 budget request	178,900,000
Comparison with fiscal year 2001 appropriation	+8,060,000
Comparison with fiscal year 2002 budget request	0

The construction, minor projects appropriation provides for constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Department, including planning, CARES activities, assessment of needs, architectural and engineering services, and site acquisition, where the estimated cost of a project is less than $4,000,000. Program focus is placed on outpatient care projects. Public Law 106–117, gave VA the authority to make capital contributions from minor construction in enhanced-use leases.

The Committee recommends $178,900,000 for the construction, minor projects appropriation in fiscal year 2002, the same level as the budget request and an increase of $8,060,000 over the fiscal year 2001 appropriation.

The Committee directs that VHA's minor construction resources should be utilized in a manner that is consistent with current CARES initiative. All VHA minor construction projects must be reviewed by a central office work group that will consist of both VHA and other Department officials. For evaluation purposes, the work group is to utilize criteria that is consistent with those developed for CARES. If total costs of projects being initiated at any facility exceeds $4 million (the Capital Investment Board threshold), the recommendations of the work group must be approved by the Deputy Secretary.

PARKING REVOLVING FUND

Fiscal year 2002 recommendation	$4,000,000
Fiscal year 2001 appropriation	0
Fiscal year 2002 budget request	4,000,000
Comparison with fiscal year 2001 appropriation	+4,000,000
Comparison with fiscal year 2002 budget request	0

This appropriation provides funds for the construction, alteration, and acquisition (by purchase or lease) of parking garages at Department medical facilities. The Secretary is required under certain circumstances to establish and collect fees for the use of such garages and parking facilities. Receipts from the parking fees are to be deposited in the revolving fund and can be used to fund future parking garage initiatives.

In addition to the collected parking fees, the Committee recommends the budget request of $4,000,000 to be derived from the General Fund of the Treasury.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

Fiscal year 2002 recommendation	$100,000,000
Fiscal year 2001 appropriation	100,000,000
Fiscal year 2002 budget request	50,000,000
Comparison with fiscal year 2001 appropriation	0
Comparison with fiscal year 2002 budget request	+50,000,000

This program provides grants to assist States to construct State home facilities for furnishing domiciliary or nursing home care to

veterans, and to expand, remodel or alter existing buildings for furnishing domiciliary, nursing home or hospital care to veterans in State homes. A grant may not exceed 65 percent of the total cost of the project.

The Committee recommends $100,000,000 for grants for construction of State extended care facilities in fiscal year 2002. This amount is equal to last year's funding level and $50,000,000 over the budget request.

The Committee encourages the Department to work with the State of Louisiana as that state applies for a grant to construct a home in the southern part of the state.

GRANTS FOR CONSTRUCTION OF STATE VETERANS CEMETERIES

Fiscal year 2002 recommendation	$25,000,000
Fiscal year 2001 appropriation	25,000,000
Fiscal year 2002 budget request	25,000,000
Comparison with fiscal year 2001 appropriation	0
Comparison with fiscal year 2002 budget request	0

This program provides grants to assist States with the establishment, expansion, and improvement of State veterans' cemeteries which are operated and permanently maintained by the States. Grants under this program fund up to 100 percent of construction costs and the initial equipment expenses when the cemetery is established. The states remain responsible for providing the land and for paying all costs related to the operation and maintenance of the state cemeteries, including the costs for subsequent equipment purchases.

The Committee recommends the budget request of $25,000,000 for grants for the construction of State veterans cemeteries in fiscal year 2002.

The Committee encourages the Department to work with the States of California and Louisiana as those States apply for grants.

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

The bill continues the existing seven administrative provisions as proposed in the budget and includes four new administrative provisions.

For simplicity in accounting and scorekeeping, the Committee included section 108 which deposits all receipts collected under the Health Services Improvement into the Medical Care Collection Fund. Section 109 extends the Department's authority to operate Franchise Funds. Section 110 allows the Department to deduct administrative expenses from proceeds of enhanced-use lease authority receipts. Section 111 allows the Department to use the services of the Office of Resolution Management (ORM) and the Office of Employment and Discrimination Complaint Adjudication (OEDCA) on a reimbursable fee basis with a fund limitation of $28,555,000 for ORM and $2,383,000 for OEDCA.

TITLE II

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Fiscal year 2002 recommendation	$29,979,968,000
Fiscal year 2001 appropriation	[1] 28,590,735,000
Fiscal year 2002 budget request	30,580,617,000
Comparison with fiscal year 2001 appropriation	[1] +1,389,233,000
Comparison with fiscal year 2002 budget request	−600,649,000

[1] Fiscal year 2001 totals in this title reflect the amounts appropriated in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001 (Public Law 106–377), and do not reflect the 0.22% rescission enacted pursuant to Public Law 106–566. The totals also reflect the technical reclassification of mutual mortgage insurance fund receipts pursuant to an agreement between the Congressional Budget Office, the Office of Management and Budget, and the House and Senate Budget Committees.

The Department of Housing and Urban Development (HUD) was established by the Department of Housing and Urban Development Act of 1965 (Public Law 89–174). HUD is the principal Federal agency responsible for administering and regulating programs and industries concerned with the Nation's housing needs, economic and community development, and fair housing opportunities.

In carrying out the mission of serving the needs and interests of the Nation's communities and of the people who live and work in them, HUD administers mortgage and loan insurance programs, rental and homeownership subsidy programs for low-income families, neighborhood rehabilitation programs, and community development programs.

The Committee recommends $29,979,968,000 for the Department of Housing and Urban Development, a $1,389,233,000 increase above the fiscal year 2001 level, and $600,649,000 below the request.

PUBLIC AND INDIAN HOUSING

HOUSING CERTIFICATE FUND

(INCLUDING TRANSFER AND RESCISSION OF FUNDS)

Fiscal year 2002 recommendation	$15,694,242,000
Fiscal year 2001 appropriation	13,940,907,000
Fiscal year 2002 budget request	15,717,392,000
Comparison with fiscal year 2001 appropriation	+1,753,335,000
Comparison with fiscal year 2002 budget request	−23,150,000

The Housing Certificate Fund (HCF) provides funding for the renewal of expiring section 8 contracts, amendments to existing section 8 contracts, new "incremental" section 8 vouchers including enhanced vouchers, relocation assistance, and the costs associated with the administration of section 8 contracts.

The Committee recommends a total of $16,334,242,000 for the HCF in fiscal year 2002, of which $15,694,242,000 is provided as a direct appropriation, and $640,000,000 is derived from fiscal year 2001 carryover. Consistent with the fiscal year 2002 budget resolution, the Committee recommends $4,200,000,000 in advance appropriations. This amount represents an increase of $1,753,335,000 over the amount appropriated for the HCF in fiscal year 2002. The recommendation includes the following:

Renewal of expiring section 8 contract: $15,725,153,031 to fully fund the renewal of all expiring section 8 housing assistance con-

tracts and contracts entered into pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act. Included in this amount is $46,400,000 for continued funding of the Family Self-Sufficiency Coordinators program. Funds are not provided in the HCF for the renewal of section 811 tenant-based assistance, but instead the Committee has included funding under the Housing for special populations account. Pursuant to the budget request, no new funding is provided for section 8 contract amendments for fiscal year 2002, and instead amendment requirements are to be funded through recaptures in fiscal year 2002.

"Incremental" section 8 vouchers: $197,246,000 to fund 34,000 new section 8 vouchers. Of this amount, $157,344,000 is provided for 26,086 new vouchers to be distributed on a fair share basis to those PHAs which have a 97% voucher utilization rate. The remaining $39,912,000 is provided for 7,914 new vouchers for distribution to non-elderly, disabled residents who are affected by the designation of public and assisted housing as "elderly-only" developments. The Committee recognizes that persons with disabilities who are dependent on Supplemental Security Income or have very low paying jobs are often unable to find affordable housing absent section 8 tenant-based rental assistance. Therefore, language is included in the bill earmarking these amounts for this purpose to enable people with disabilities to live integrated lives in their home communities.

Tenant protection vouchers: $202,842,070 for new tenant protection vouchers to replace lost project-based section 8 assistance with tenant-based assistance. Funding for new vouchers under the HOPE VI program is provided within the Revitalization of severely distressed public housing (HOPE VI) account as requested.

Section 8 contract administrators: $195,600,730 for section 8 contract administrators. Language is included in the bill, as requested and carried in prior years, that precludes HUD from paying increased administrative fee costs in the tenant-based section 8 program as a result of the Quality Housing and Work Responsibility Act of 1998.

Voucher Utilization: The recommendation brings to 223,000 the total number of new section 8 vouchers provided over the last four years. In the past, the Committee has expressed concern over both the Department's and the PHAs' abilities to award and utilize these vouchers in a timely fashion. In fiscal years 1999 and 2000, HUD was provided $629,650,000 to fund 110,000 new vouchers. However, in each of those years, HUD failed to award those vouchers in a timely fashion, resulting in none of those funds being used. At the same time, PHAs' underutilization of vouchers continues to be a significant problem as evidenced by a drop in the national utilization rate average from 96.7 percent in fiscal year 1999 to an estimated 92.4 percent in fiscal year 2001. As a result, a significant amount of unused funding has been recaptured each year. The Committee believes it is critical that the Department and the PHAs take steps to increase the timely award and utilization of section 8 vouchers. Therefore, language is included in the bill requiring that new vouchers be distributed only to those PHAs that have a voucher utilization rate of 97 percent. The Committee directs that HUD award the new fair share vouchers provided in the bill within four months of enactment of this Act, and report to the Committee

no later than February 15, 2002, on its compliance with this direction. The Committee also expects that implementation of the Section Eight Management Assessment Program (SEMAP) in fiscal year 2002 will assist HUD in identifying troubled PHAs and providing remediation services to rectify this problem. Funding has been provided under the Public housing capital fund as requested for SEMAP remediation activities. HUD is requested to provide the Committee a report, no later than February 28, 2002, which identifies those PHAs designated as "troubled" under the SEMAP system, and the remediation activities planned for each PHA identified.

In addition, the Committee recommends a rescission of $886,000,000 from this account to be derived from the recapture of section 8 funds provided in fiscal year 2001 and prior years.

PHA Reserve Funds: As requested, the Committee recommendation assumes that $640,000,000 in fiscal year 2001 carryover will be derived by reducing from two months to one month the amount of reserve funding available to PHAs. Adoption of this change will still provide PHAs a $640,000,000 reserve, in addition to their regular full year appropriation, to address any unforeseen cost increases. It is the Committee's understanding that in fiscal year 2000, PHAs only utilized $46,190,228 in reserve funding. Further, the fiscal year 2002 budget reflects a change in the calculation of the cost per voucher to more accurately reflect PHA's actual costs and local inflation rates. Therefore, the Committee does not believe this reduction will have an adverse impact on PHAs ability to assist their clients.

Language is included in the bill, similar to language carried in prior Acts, which: (1) transfers funds to the Working Capital Fund; (2) designates amounts available for incremental section 8 vouchers for certain purposes; (3) prohibits payment of increased administrative fees; (4) reduces reserve funds; and (5) rescinds excess funds from prior years.

PUBLIC HOUSING CAPITAL FUND

(INCLUDING TRANSFER OF FUNDS)

Fiscal year 2002 recommendation	$2,555,000,000
Fiscal year 2001 appropriation	3,000,000,000
Fiscal year 2002 budget request	2,293,400,000
Comparison with Fiscal year 2001 appropriation	−445,000,000
Comparison with Fiscal year 2002 budget request	+261,600,000

The Public Housing Capital Fund provides funding for all public housing capital programs, like public housing development, modernization, and amendments. Examples of capital modernization projects include replacing roofs and windows, improving common spaces, upgrading electrical and plumbing systems, and renovating the interior of an apartment.

The Committee recommends funding this program at $2,555,000,000, which is $445,000,000 below the fiscal year 2001 level, and $261,600,000 above the request.

The Committee appreciates the need to modernize public housing. To this end, the Committee has increased funding for this account over and above the budget request for each of the last three years. However, the Committee must acknowledge that there is a significant pipeline of these funds which remains unspent. It is the

Committee's understanding, based on data provided by the PHAs to HUD, that as of June 2001, PHAs had not yet spent $4,687,962,000 of the funds provided in fiscal years 1998, 1999, and 2000, of which $2,717,194,528 had not yet been obligated, i.e. put under contract by the PHAs for repair and modernization work. The Committee understands that $733,423,311, or 27 percent, of these unobligated funds are from funds provided in fiscal years 1998 and 1999 with 25 PHAs accounting for 73 percent of these unobligated funds.

The Committee believes that residents of public housing deserve timely improvements to the public housing stock, as Congress intends and has funded. The Committee would note that Congress' concern over lengthy delays in the expenditure of funds provided for modernization and repair work led to the inclusion of several provisions in the Quality Housing and Work Responsibility Act (QHWRA) of 1998 to compel more timely utilization of these funds. Under section 9(j) of QHWRA, PHAs are required to obligate their funds within 24 months and must fully spend such funds within 48 months. Sanctions for failure to comply with the law include a complete withholding of all capital funds from any PHA in violation of this requirement and the recapture of funds provided in prior years from a non-compliant PHA. Under QHWRA, these withheld and recaptured funds are to be redistributed to PHAs which have proven capable of utilizing their funds. The Committee understands that last year HUD decided to delay implementation of the provisions of QHWRA, a position that the Committee finds clearly inconsistent with the statute and congressional intent.

The Committee expects HUD to hold the PHAs accountable for their compliance with the statute. The Committee also believes that additional funds under this account should be directed to those PHAs which are capable of utilizing these funds in a timely fashion. Therefore, the Committee recommends that $262,000,000 be allocated only to those PHAs which have met the 24-month statutory requirement to obligate their funds in accordance with QHWRA. In accordance with QHWRA, PHAs which have obligated 90 percent or more of their fiscal year 1999 and prior year funds or have received a waiver from the 24 month requirement will be eligible to receive this additional funding. This will ensure that those PHAs which have demonstrated an ability to fully utilize their money will receive funds in addition to their annual accrued maintenance allocation to continue addressing their backlog requirements in fiscal year 2002.

The Committee notes that the sanctions for non-compliance of this deadline under QHWRA require a complete withholding of any capital funds to a PHA. Non-compliant PHAs' prior year funds are also subject to recapture and redistribution to compliant PHAs. Given that fiscal year 2002 represents the first full year of implementation of the requirements of QHWRA, the Committee appreciates that a complete withholding of funds may be too severe a sanction for non-compliant PHAs. Therefore, the Committee includes language to waive this withholding requirement, and instead requires the Secretary to recapture fiscal year 1999 and prior year funds from those PHAs which have failed to obligate their funds within the statutory deadline and redistribute those funds to those PHAs in compliance with QHWRA. The Committee believes

such action will minimize the impact of implementation of QHWRA on PHAs during the first year of full implementation while ensuring that capital funds are expended in a timely fashion as required by QHWRA.

The Committee directs HUD to provide quarterly reports on the obligation and expenditure of capital funds, delineated by PHA and fiscal year, of all funds provided under this heading in fiscal years 2002 and prior years, with the first such report due not later than February 1, 2002.

Therefore, language is included to ensure that HUD implements QHWRA in accordance with the statute and congressional intent, including provisions which: restate the effective date of QHWRA to apply to fiscal year 1999 funds; maintain HUD's ability to waive certain deadlines, but require that such waivers be granted only by the Secretary or the Deputy Secretary; and require the Secretary to recapture funds from PHAs not in compliance with the statutory deadlines and redistribute those funds to PHAs which are compliant with the statute.

Language is also included in the bill, similar to language carried in prior years, designating the following: (1) up to $51,000,000 for technical assistance, contract expertise, training, interventions in troubled authorities, independent physical inspections, and management improvements, including $10,000,000 for remediation activities related to SEMAP; (2) no less than $43,000,000 to be transferred to the working capital fund for development and maintenance of information technology systems; and (3) up to $75,000,000 to be provided for repairs resulting from natural disasters and emergencies. In addition, language is included making funds available for two years.

PUBLIC HOUSING OPERATING FUND

(INCLUDING TRANSFER OF FUNDS)

Fiscal year 2002 recommendation	$3,494,868,000
Fiscal year 2001 appropriation	3,242,000,000
Fiscal year 2002 budget request	3,384,868,000
Comparison with Fiscal year 2001 appropriation	+252,868,000
Comparison with Fiscal year 2002 budget request	+110,000,000

The Public Housing Operating Fund (PHOF) subsidizes a portion of the costs associated with operating and maintaining public housing. This subsidy supplements funding received by public housing authorities from tenant rent contributions and other income. In accordance with section 9 of the United States Housing Act of 1937, as amended, funds are allocated by formula to public housing authorities for the following purposes: utility costs; anticrime and anti-drug activities, including the costs of providing adequate security; routine maintenance cost; administrative costs; and general operating expenses.

The Committee recommends $3,494,868,000 for the PHOF, an increase of $252,868,000 above the fiscal year 2001 level, and $110,000,000 above the request. This amount represents an 8.1 percent increase over the current year appropriation and 3.5 percent above the request.

The Committee recommends an 8.1 percent increase in this account to augment the funding received by all PHAs through the operating subsidies program, in lieu of providing a separate supple-

mental funding source for selected PHAs through the Public Housing Drug Elimination Program (PHDEP). The Committee notes that anti-drug and anti-crime activities are allowable uses of public housing operating funds, and the vast majority of PHAs fund their anti-crime and anti-drug programs from within their existing operating subsidy allocation. By contrast, the PHDEP provides supplemental funding on top of their regular operating subsidies for only 1,000 of the 3,400 PHAs, with four PHAs receiving 25 percent of the total funding available under the PHDEP formula grants program.

The Committee notes that since the PHDEP program was created in 1989, Federal funding to States and localities for police, crime and drug prevention programs has grown dramatically, particularly through assistance provided by the Department of Justice. Over the last six years, over $9,000,000,000 in new Federal assistance has been provided through the Justice Department for similar purposes, including funding to put 110,000 new police officers on the street, funds for crime and drug enforcement and prevention programs, and funding to establish 1,000 new Boys and Girls Clubs exclusively in public housing communities. The Committee believes that States and localities have a responsibility to allocate their funds and services to meet the needs of all residents, including those in public housing.

The Committee questions whether providing supplementary funding through the PHDEP is the most effective and equitable mechanism to provide these services to residents of public housing. Currently, there exists a huge backlog in unspent PHDEP funds. As of June 30, 2001, the backlog for fiscal year 2000 and prior years totaled $396,995,963, of which $96,751,000 was provided in fiscal years 1997 through 1999. Given the large amount of unspent funds remaining in the pipeline, the Committee questions the efficiency and effectiveness of this program.

The Committee also questions HUD's ability to administer anti-crime and anti-drug activities, as evidenced by HUD's decisions to allow PHAs to use PHDEP funds for "creative wellness" programs that teach residents to surround themselves with colored gemstones and incense, for vacations and trips, and for controversial gun buy backs. The Committee instead believes that the Department of Justice can more effectively determine when and what type of targeted assistance may be necessary to address local crime and drug programs in public housing over and above the activities already provided for through other Federal programs. Therefore, the Committee has also designated $10,000,000 of the funds provided under this account to be allocated by the Attorney General through existing Department of Justice programs, such as Weed and Seed, to address those areas where additional assistance is needed to augment State and local efforts to effectively fight crime and drugs in public housing.

Language is included in the bill which: (1) provides two-year availability for funds provided under this account; (2) transfers $10,000,000 to the Office of Inspector General for Operation Safe Home; (3) designates $10,000,000 to be administered by the Attorney General for programs which assist in the investigation, prosecution and prevention of crime and drug offenses in public and as-

sisted housing; and (4) prohibits funds from being used for section 9(k) activities.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

Fiscal year 2002 recommendation	0
Fiscal year 2001 appropriation	$310,000,000
Fiscal year 2002 budget request	0
Comparison with fiscal year 2001 appropriation	−310,000,000
Comparison with fiscal year 2002 budget request	0

Drug Elimination grant funds are provided to public housing agencies and Indian housing authorities to eliminate drug-related crime in housing developments. Funds may be used to pay for law enforcement personnel and investigators, to provide for physical improvements that enhance security, to support tenant patrols and initiatives, and to develop drug abuse prevention programs.

The Committee does not recommend separate funding for this program but has instead addressed this requirement under the Public housing operating fund.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)

Fiscal year 2002 recommendation	$573,735,000
Fiscal year 2001 appropriation	575,000,000
Fiscal year 2002 budget request	573,735,000
Comparison with fiscal year 2001 appropriation	−1,265,000
Comparison with fiscal year 2002 budget request	0

The Revitalization of Severely Distressed Public Housing program, also known as HOPE VI, provides competitive grants to public housing authorities to revitalize entire neighborhoods adversely impacted by the presence of badly deteriorated public housing projects. In addition to developing and constructing new affordable housing, the programs provide PHAs with the authority to demolish obsolete projects and to provide self-sufficiency services for families who reside in and around the facility.

The Committee recommends funding HOPE VI at $573,735,000, as requested, and the same amount provided in fiscal year 2001. Of the total amount provided, $5,000,000 is for technical assistance as requested and the same level provided in fiscal year 2001. In addition, up to $10,000,000 is available for tenant-based relocation assistance, as requested. Language is included in the bill making funds available for two years.

NATIVE AMERICAN HOUSING BLOCK GRANTS

(INCLUDING TRANSFERS OF FUNDS)

Fiscal year 2002 recommendation	$648,570,000
Fiscal year 2001 appropriation	650,000,000
Fiscal year 2002 budget request	648,570,000
Comparison with fiscal year 2001 appropriation	−1,430,000
Comparison with fiscal year 2002 budget request	0

The Native American Housing Block Grants program provides funds to Indian tribes and their tribally-designated housing entities (TDHEs) to address housing needs within their communities. The block grant is designed to fund a TDHE's operating requirements and capital needs.

The Committee recommends $648,570,000 for this account, the full amount requested. Of the total amount provided: $5,987,000 is

for the section 601 Loan Guarantee program to guarantee a total loan volume of $52,726,000; $5,000,000 is for inspections, training, travel costs, and technical assistance; $2,200,000 is for the National American Indian Housing Council to conduct training programs and to provide technical assistance; no less than $2,000,000 is for transfer to the Working Capital Fund for development and maintenance of information technology systems; and $150,000 is for transfer to the HUD salaries and expenses account for administrative expenses.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Program account	Limitation on direct loans
Fiscal year 2002 recommendation	$5,987,000	$234,283,000
Fiscal year 2001 appropriation	6,000,000	71,956,000
Fiscal year 2002 budget request	5,987,000	234,283,000
Comparison with fiscal year 2001 appropriation	−13,000	+162,327,000
Comparison with fiscal year 2002 budget request	0	0

Section 184 of the Housing and Community Development Act of 1992 establishes a loan guarantee program for Native Americans to build or purchase homes on trust land. This program provides access to sources of private financing for Indian families and Indian housing authorities that otherwise cannot acquire financing because of the unique legal status of Indian trust land. This financing vehicle enables families to construct new homes or to purchase existing properties on reservations.

The Committee recommends funding this program at the request of $5,987,000, the same amount available in fiscal year 2001. However, based on changes to the subsidy rate, the appropriation will guarantee $162,327,000 in additional loans in fiscal year 2002. Language is included transferring $200,000 to the HUD salaries and expenses account for administrative expenses.

COMMUNITY PLANNING AND DEVELOPMENT

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

Fiscal year 2002 recommendation	$277,432,000
Fiscal year 2001 appropriation	258,000,000
Fiscal year 2002 budget request	277,432,000
Comparison with fiscal year 2001 appropriation	+19,432,000
Comparison with fiscal year 2002 budget request	0

The Housing Opportunities for Persons with AIDS (HOPWA) program is authorized by the Housing Opportunities for Persons with AIDS Act. This program provides States and localities with resources and incentives to devise long-term comprehensive strategies to meet the housing needs of persons with HIV/AIDS and their families. Ninety percent of funding is distributed by formula to qualifying States and metropolitan areas on the basis of the cumulative number and incidences of AIDS reported to the Centers for Disease Control. The remaining 10 percent of funding is distributed through a national competition. Government recipients are required to have a HUD-approved Comprehensive Plan/Comprehensive Housing Affordability Strategy (CHAS).

For fiscal year 2002, the Committee recommends $277,432,000, an increase of $19,432,000 above the fiscal year 2001 level, and the full amount requested. The increase will allow funding for new jurisdictions expected to become eligible for funding in fiscal year 2002, while maintaining funding for existing jurisdictions. Within the total amount provided, $2,000,000 is for technical assistance, training and oversight as requested.

Language is included making funds available for two years. Requested language is not included requiring continued funding of all prior competitive grant awards once the original award has concluded.

RURAL HOUSING AND ECONOMIC DEVELOPMENT

Fiscal year 2002 recommendation	0
Fiscal year 2001 appropriation	$25,000,000
Fiscal year 2002 budget request	0
Comparison with fiscal year 2001 appropriation	−25,000,000
Comparison with fiscal year 2002 budget request	0

The Committee does not recommend continued funding for this program. The budget request proposed termination of this program on the basis that it duplicates several other programs, including the Community Development Block Grant program and programs within the Department of Agriculture.

EMPOWERMENT ZONES/ENTERPRISE COMMUNITIES

Fiscal year 2002 recommendation	0
Fiscal year 2001 appropriation	$90,000,000
Miscellaneous appropriation (P.L. 106–554)	110,000,000
Fiscal year 2002 budget request	150,000,000
Comparison with fiscal year 2001 appropriation	−200,000,000
Comparison with fiscal year 2002 budget request	−150,000,000

Funding constraints prevent the Committee from providing funds for Round II Empowerment Zones at this time.

COMMUNITY DEVELOPMENT FUND

(INCLUDING TRANSFERS OF FUNDS)

Fiscal year 2002 recommendation	$4,801,993,000
Fiscal year 2001 appropriation	5,057,550,000
Miscellaneous appropriation (P.L. 106–554)	66,128,000
Fiscal year 2002 budget request	4,801,993,000
Comparison with fiscal year 2001 appropriation	−321,685,000
Comparison with fiscal year 2002 budget request	0

The Community Development Fund provides funding to State and local governments, and to other entities that carry out community and economic development activities under various programs.

The Committee recommends a total of $4,801,993,000 for the Community development fund account. Funding under this account is allocated as follows:

$4,399,300,000 for Community Development Block Grants;

$69,000,000 for Native American Community Development Block Grants;

$29,387,000 for the National Community Development Initiative (NCDI), as follows: $4,442,000 for Habitat for Humanity capacity building activities; and $24,945,000 for the Enterprise Foundation and LISC capacity building activities, including $4,989,000 for activities in rural areas;

$34,424,000 for section 107 activities, as follows: $6,985,000 for insular areas; $9,978,000 for Historically Black Colleges and Universities; $2,993,000 for Community Development Work Study; $6,486,000 for Hispanic Serving Institutions; and $7,982,000 for Community Outreach Partnerships;

$3,300,000 for the Housing Assistance Council;

$2,794,000 for the National American Indian Housing Council;

$5,000,000 for the National Housing Development Corporation (NHDC), for continuation of its program of acquisition, rehabilitation and preservation of at-risk affordable housing;

$5,000,000 for the National Council of La Raza, for its national HOPE Fund to leverage additional investments in affordable housing and community development projects;

$25,000,000 for neighborhood initiatives;

$54,879,000 for the Resident Opportunity and Social Services program;

$21,956,000 for the Self-Help Housing Opportunity Program (SHOP);

$59,868,000 for Youthbuild, including $2,000,000 for capacity building activities; and

$77,000,000 for economic development initiatives.

Additionally, not less than $15,000,000 is provided to be transferred to the Working Capital Fund to support the development and maintenance of information technology systems.

The recommendation does not include $20,000,000 for the Americans with Disabilities Access initiative and $80,000,000 for a Community Technology Centers initiative, requested by the Administration.

The Committee continues its direction that HUD inform State and local jurisdictions that people with disabilities and their advocates must be at the table when Consolidated Plans are developed. The Committee again directs HUD to evaluate Consolidated Plans for this inclusion, determine if the needs reflected in the final plan match the proposed uses of Federal funds, and take into consideration a community's efforts to remove impediments to fair housing for individuals with disabilities.

The Housing and Community Development Act of 1974, as amended, (Public Law 93–383), requires the targeting of CDBG funds to assist low and moderate income people. The Committee directs that HUD provide a detailed description, analysis, and evaluation of HUD's administrative oversight of this requirement, and to report back its findings to the Committee by February 1, 2002.

The Committee recognizes the importance of funding for the State of South Dakota and the City of Lead, South Dakota, to address the economic transitional needs at Lead, South Dakota. Operations at the Homestake Mine are expected to cease in fiscal year 2002. A proposal has been submitted to the National Science Foundation for the conversion of the mine to a National Underground Laboratory for the study of neutrinos. The Committee is aware that studies are currently underway to determine the most appropriate level, and corresponding cost, of providing for the physical integrity of the mine structure and related properties, as well as for the economic stability of the region. Upon completion of these studies, the

Committee expects to provide the resources necessary to begin facilitating this important effort.

Language is included in the bill, similar to language carried in prior Acts, which: (1) designates amounts available for the various programs funded under this account; (2) limits administrative expenses to no more than 20 percent of any grant with certain exceptions; and (3) provides two-year availability for obligation of funds provided under this heading.

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Program costs	Limitation on guaranteed loans
Fiscal year 2002 recommendation	$15,000,000	$608,696,000
Fiscal year 2001 appropriation	30,000,000	1,261,000,000
Fiscal year 2002 budget request	15,000,000	608,696,000
Comparison with fiscal year 2001 appropriation	−15,000,000	−652,304,000
Comparison with fiscal year 2002 budget request	0	0

The Section 108 Loan Guarantees program underwrites private market loans to assist local communities in the financing of the acquisition and rehabilitation of publicly-owned real property, rehabilitation of housing, and certain economic development projects.

The Committee recommends $15,000,000 as a separate account for the section 108 loan program, as requested. Of this amount, $14,000,000 is provided for the costs to guarantee $608,696,000 in section 108 loan commitments in fiscal year 2002, and $1,000,000 is provided for administrative expenses to be transferred to the Salaries and Expenses account. While the recommendation represents a reduction from the current year appropriation, the Committee notes that this program continues to be significantly underutilized. In fiscal year 2000, only $10,000,000 of the $30,000,000 appropriated was used to guarantee a total loan volume of $412,000,000. The utilization rate for fiscal year 2001 is estimated to be $400,000,000, significantly below the funded level. Therefore, the Committee believes the recommendation, which will insure a loan volume of $608,696,000, is sufficient to fully support program demand in fiscal year 2002.

Language is included in the bill to provide two-year availability for obligation of funds provided under this account.

BROWNFIELDS REDEVELOPMENT

Fiscal year 2002 recommendation	$25,000,000
Fiscal year 2001 appropriation	25,000,000
Fiscal year 2002 budget request	25,000,000
Comparison with fiscal year 2001 appropriation	0
Comparison with fiscal year 2002 budget request	0

The Brownfields Redevelopment program provides competitive economic development grants in conjunction with section 108 loan guarantees for qualified brownfield projects. Grants are made in accordance with section 108(q) selection criteria. The goal of the program is to return contaminated sites to productive and employment-generating uses with an emphasis on creating substantial numbers of jobs for lower-income people in physically and economically distressed neighborhoods.

The Committee recommends $25,000,000 for this program as requested, the same amount provided in fiscal year 2001.

Language is included in the bill to provide two-year availability for funds provided under this account.

HOME INVESTMENT PARTNERSHIPS PROGRAM

(INCLUDING TRANSFER OF FUNDS)

Fiscal year 2002 recommendation	$1,996,040,000
Fiscal year 2001 appropriation	1,796,040,000
Fiscal year 2002 budget request	1,796,040,000
Comparison with fiscal year 2001 appropriation	+200,000,000
Comparison with fiscal year 2002 budget request	+200,000,000

The HOME investment partnerships program provides grants to States, units of local government, Indian tribes and insular areas, through formula allocation, for the purpose of expanding the supply of affordable housing in the jurisdiction. Upon receipt, State and local governments develop a comprehensive housing affordability strategy that enables them to acquire, rehabilitate, or construct new affordable housing, or to provide rental assistance to eligible families.

The Committee recommends $1,996,040,000 for this program, an increase of $200,000,000 above the request and the fiscal year 2001 level. Of this amount, $200,000,000 is provided for the Downpayment Assistance Initiative requested in the budget. Funds for this initiative are provided subject to enactment of authorization legislation. Should such legislation not be enacted by June 30, 2002, these funds may be used by States and local participating jurisdictions for any purposes authorized under the HOME program. The recommendation also includes $20,000,000 for Housing Counseling as requested, the same amount provided in fiscal year 2001. However, requested language is not included repealing the sunset date for certain homeownership housing counseling programs. The Committee expects such changes to be addressed in the context of authorization legislation for Downpayment Assistance Initiative.

In addition, no less than $17,000,000 is to be transferred to the Working Capital Fund for the development and operation of integrated community development management information systems.

Language is included in the bill to provide two-year availability for funds provided under this account.

HOMELESS ASSISTANCE GRANTS

(INCLUDING TRANSFER OF FUNDS)

Fiscal year 2002 recommendation	$1,027,745,000
Fiscal year 2001 appropriation	1,025,000,000
Fiscal year 2002 budget request	1,022,745,000
Comparison with fiscal year 2001 appropriation	+2,745,000
Comparison with fiscal year 2002 budget request	+5,000,000

The homeless assistance grants account provides funding for the following homeless programs under title IV of the McKinney Act: (1) the emergency shelter grants program; (2) the supportive housing program; (3) the section 8 moderate rehabilitation (single room occupancy) program; and (4) the shelter plus care program. This account also supports activities eligible under the innovative homeless initiatives demonstration program. Beginning in fiscal year

2001, funding for the renewal of shelter plus care vouchers is provided in a separate account.

The Committee recommends funding homeless programs at $1,027,745,000, an increase of $5,000,000 above the request and the amount available in fiscal year 2001. Of the total amount provided, $14,200,000 is for technical assistance for management information systems and development of an automated client-level Annual Performance Report System, and $500,000 is for the Interagency Council on the Homeless for administrative costs.

The Committee is concerned that, given the tremendous housing needs of homeless people, over 50 percent of HUD homeless assistance grant funds are being spent on services rather than on housing. The Committee is aware that the Secretary has initiated a joint task force with the Secretary of the Department of Health and Human Services to identify and target each agency's responsibilities and roles in addressing the needs of the homeless population. The Committee expects this effort to result in a better targeting of HUD's resources to the housing needs of the homeless by eliminating duplication and overlap among Federal programs and reducing barriers which have limited the ability of providers to access services funding from other Federal agencies. The Committee requests that the Department keep the Committee apprised of the task force's progress, and provide a report, no later than February 15, 2002, on its finding and recommendations for changes in HUD programs. In the interim, the Committee has deferred making any significant changes to HUD programs. However, HUD is instructed to use the Notice of Funding Availability and other available mechanisms to encourage communities to seek funding for services from non-HUD sources so that HUD resources can be directed at providing housing, including permanent supportive housing, for homeless people.

Language is included in the bill which: (1) requires not less than 35 percent of the funds appropriated be used for permanent housing; (2) requires funding recipients to provide a 25 percent match for social services activities; (3) requires all homeless programs to coordinate their programs with mainstream health, social services and employment programs; (4) provides that no less than $14,200,000 be available for technical assistance for management information systems and an automated client-level Annual Performance Report System to be transferred to the Working Capital Fund; (5) provides two-year availability for obligation of funds provided under this account; and (6) designates $500,000 for the Interagency Council on the Homeless.

SHELTER PLUS CARE RENEWALS

Fiscal year 2002 recommendation	$0
Fiscal year 2001 appropriation	100,000,000
Fiscal year 2002 budget request	99,780,000
Comparison with fiscal year 2001 appropriation	−100,000,000
Comparison with fiscal year 2002 budget request	−99,780,000

The Shelter Plus Care program provides rental assistance that, when combined with social services, supplies supportive housing for homeless people with disabilities and their families. Shelter Plus Care provides a variety of housing choices such as group homes or individual units, coupled with a range of supportive services which

are funded from other non-HUD sources. Funding for new Shelter Plus Care grants is provided under the Homeless assistance grants program account. However, beginning in fiscal year 2001, funding for the renewal of existing Shelter Plus Care contracts on a one-year basis is provided under this account.

The fiscal year 2002 budget requested funds to forward-fund the fiscal year 2003 renewal costs for this program. The fiscal year 2001 appropriation included sufficient funding to fully support all renewal costs for Shelter Plus Care contracts for fiscal year 2002. The Committee does not recommend forward funding for future year requirements for this program for this program, or any other program in this bill. Instead the Committee will address the fiscal year 2003 costs for contract renewals for this program in the context of the fiscal year 2003 bill.

HOUSING PROGRAMS

HOUSING FOR SPECIAL POPULATIONS

(INCLUDING TRANSFER OF FUNDS)

Fiscal year 2002 recommendation	$1,024,151,000
Fiscal year 2001 appropriation	996,000,000
Fiscal year 2002 budget request	1,001,009,000
Comparison with fiscal year 2001 appropriation	+28,151,000
Comparison with fiscal year 2002 budget request	+23,142,000

The Housing for Special Populations program provides eligible private, non-profit organizations with capital grants to finance the acquisition, rehabilitation or construction of housing intended for elderly people or people with disabilities. To increase flexibility, twenty-five percent of the funding for supportive housing for the disabled is available for tenant-based assistance.

The Committee recommends $1,024,151,000 for the Housing for special populations program account, an increase of $23,142,000 above the request and $28,151,000 above the fiscal year 2001 level.

The Committee recommendation includes $783,286,000 for section 202 housing as requested, an increase of $4,286,000 above the fiscal year 2001 level. Of the total amount provided for section 202, $49,890,000 is for service coordinators and the continuation of congregate services grants, $49,890,000 is for the section 202 conversion program, and up to $3,000,000 is for the renewal of expiring project rental assistance contracts for up to a one-year term.

For the section 811 disabled housing program, the Committee recommends $240,865,000, an increase of $23,150,000 above the request, and $28,151,000 above the amount provided in fiscal year 2001. The increase above the request is provided to fund the renewal costs of section 811 tenant-based rental assistance. The recommendation also includes up to $1,200,000 for the renewal of expiring project rental assistance contracts for up to a one-year term as requested.

The Committee continues to support the role of tenant-based rental assistance but recognizes that it is not the only component of an effective, broad-based housing policy for people with disabilities. Construction of new housing units is necessary to ensure safe, accessible, affordable housing for persons with disabilities. Therefore, language is included in the bill providing that no more than 25 percent of the funds provided under this program be used for

tenant-based rental assistance, thereby allowing 75 percent of the funds to be dedicated to the construction and maintenance of new housing units. In addition, the section 811 supportive housing program plays an important role in increasing the housing options for people with disabilities. However, the Committee is concerned that the application and review process for this program has become increasingly burdensome to the non-profit organizations providing these important services. Therefore, HUD is directed to review the section 811 handbook and modify the program procedures to simplify the application and review process.

Language is included in the bill, similar to language carried in prior appropriations Acts, which: (1) authorizes the Secretary to waive any statutory or regulatory requirements related to the section 202 and section 811 programs; and (2) transfers no less than $1,000,000, to be equally divided between section 202 and section 811, to the Working Capital Fund for development and maintenance of information technology systems. In addition, language is also included providing two-year availability for obligation of funds provided under this account.

FLEXIBLE SUBSIDY FUND

(TRANSFER OF FUNDS)

The Housing and Urban Development Act of 1968 authorized HUD to establish a revolving fund into which rental collections in excess of the established basic rents for units in section 236 subsidized projects are deposited. Subject to approval in appropriations acts, the Secretary is authorized under the Housing and Community Development Amendment of 1978 to transfer excess rent collections received after 1978 to the Troubled Projects Operating Subsidy program, renamed the Flexible Subsidy Fund.

The Committee recommends that the account continue to serve as a repository of excess rental charges appropriated from the Rental Housing Assistance Fund. Although these resources will not be used for new reservations, they will continue to offset Flexible Subsidy outlays and other discretionary expenditures.

MANUFACTURED HOUSING FEES TRUST FUND

Fiscal year 2002 recommendation	$13,566,000
Offsetting collections	−13,566,000
Fiscal year 2001 appropriation	[1] 0
Fiscal year 2002 budget request	17,254,000
Offsetting collections	−17,254,000
Comparison with fiscal year 2001 appropriation	[1] +659,000
Comparison with fiscal year 2002 budget request	−3,688,000

[1] Prior to enactment of the Manufactured Housing Improvement Act of 2000, this the collection and expenditure of fees for manufactured housing inspections activities were not subject to annual appropriations action. Total spending for these activities in fiscal year 2001 is estimated at $12,907,000.

The National Manufactured Housing Construction and Safety Standards Act of 1974, as amended by the Manufactured Housing Improvement Act of 2000, authorized the Secretary to establish Federal manufactured home construction and safety standards for the construction, design, and performance of manufactured homes. All manufactured homes are required to meet the Federal standards, and fees are charged to producers to cover the costs of administering the Act.

The Committee recommends $13,566,000 to support the manufactured housing standards programs to be derived from fees collected and deposited in the Manufactured Housing Fees Trust Fund established pursuant to the Manufactured Housing Improvement Act of 2000. The amount recommended is $3,688,000 below the budget request, and an increase of $659,000 above the total spending estimated for these activities in fiscal year 2001.

FEDERAL HOUSING ADMINISTRATION

MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

	Limitation of direct loans	Limitation of guaranteed loans	Administrative expenses
Fiscal year 2002 recommendation	$250,000,000	$160,000,000,000	$330,888,000
Fiscal year 2001 appropriation	250,000,000	160,000,000,000	330,888,000
Fiscal year 2002 budget request	250,000,000	160,000,000,000	336,700,000
Comparison with fiscal year 2001 appropriation	0	0	0
Comparison with fiscal year 2002 budget request	0	0	−5,812,000

The FHA mutual mortgage insurance program account includes the mutual mortgage insurance (MMI) and cooperative management housing insurance (CMHI) funds. This program account covers unsubsidized programs, primarily the single-family home mortgage program, the largest of all the FHA programs. The cooperative housing insurance program provides mortgages for cooperative housing projects of more than five units that are occupied by members of a cooperative housing corporation.

The Committee recommends the following limitations on loan commitments in the MMI program account as requested: $160,000,000,000 for loan guarantees and $250,000,000 for direct loans, the same amounts provided in fiscal year 2001. The recommendation also includes $330,888,000 for administrative expenses, of which $326,866,000 is transferred to the Salaries and Expenses account, and $4,022,000 is transferred to the Office of Inspector General. In addition, $145,000,000 is provided for administrative contract expenses, of which no less than $96,500,000 is transferred to the Working Capital Fund for development and maintenance of information technology systems. Requested language is not included appropriating additional administrative expenses in certain circumstances.

The Committee recommendation also includes requested legislation under administrative provision elsewhere in this title, allowing FHA to insure a new Adjustable Rate Mortgage (ARM) product.

GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

	Limitation of direct loans	Limitation of guaranteed loans	Administrative expenses	Program costs
Fiscal year 2002 recommendation	$50,000,000	$21,000,000,000	$211,455,000	$15,000,000
Fiscal year 2001 appropriation	50,000,000	21,000,000,000	211,455,000	0
Fiscal year 2002 budget request	50,000,000	21,000,000,000	216,100,000	15,000,000
Comparison with fiscal year 2001 appropriation	0	0	0	−86,000,000

	Limitation of direct loans	Limitation of guaranteed loans	Administrative expenses	Program costs
Comparison with fiscal year 2002 budget request	0	0	−4,645,000	0

The FHA general and special risk insurance (GI and SRI) program account includes 17 different programs administered by the FHA. The GI fund includes a wide variety insurance programs for special purpose single and multi-family loans, including loans for property improvements, manufactured housing, multi-family rental housing, condominiums, housing for the elderly, hospitals, group practice facilities and nursing homes. The SRI fund includes insurance programs for mortgages in older, declining urban areas which would not be otherwise eligible for insurance, mortgages with interest reduction payments, mortgages for experimental housing and for high-risk mortgagors who would not normally be eligible for mortgage insurance without housing counseling.

The Committee recommends the following limitations on loan commitments for the general and special risk insurance program account as requested: $21,000,000,000 for loan guarantees and $50,000,000 for direct loans, the same levels provided in fiscal year 2001.

As requested, the recommendation includes a $15,000,000 direct appropriation for credit subsidy to support the following loan guarantee programs: $6,919,000 for the section 221(d)(3) program; $5,250,000 for the section 241(a) supplemental loans for apartments program; $377,000 for the section 242 operating loss loans for apartments program; $377,000 for the section 232 operating loss loans program; and $2,077,000 for the section 2 property improvements program. The recommendation reflects changes in the premium structure for certain apartment development programs which become effective on August 1, 2001. Implementation of these changes will ensure that most FHA apartment development programs, including the section 221(d)(4) program, operate in a self-sustaining manner like most other FHA programs, including the single-family insurance program, thereby averting further shutdowns in the program which occurred in both fiscal years 2000 and 2001. The Committee also expects that improved FHA management and oversight will enable all programs to operate in a financially sound manner.

The recommendation also includes $211,455,000 for administrative expenses, of which $193,134,000 is transferred to the Salaries and Expenses account and $18,321,000 is transferred to the Office of Inspector General. An additional $139,000,000 is provided for non-overhead administrative expenses, of which no less than $33,500,000 is transferred to the Working Capital Fund for development and maintenance of information technology systems. Requested language is not included appropriating additional administrative expenses in certain circumstances.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Limitation of guaranteed loans	Administrative expenses
Fiscal year 2002 recommendation	$200,000,000,000	$9,383,000
Fiscal year 2001 appropriation	200,000,000,000	9,383,000
Fiscal year 2002 budget request	200,000,000,000	9,383,000
Comparison with fiscal year 2001 appropriation	0	0
Comparison with fiscal year 2002 budget request	0	0

The guarantee of mortgage-backed securities program facilitates the financing of residential mortgage loans insured or guaranteed by the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA) and the Rural Housing Services program. The Government National Mortgage Association (GNMA) guarantees the timely payment of principal and interest on securities issued by private service institutions such as mortgage companies, commercial banks, savings banks, and savings and loan associations which assemble pools of mortgages, and issues securities backed by the pools. In turn, investment proceeds are used to finance additional mortgage loans. Investors include non-traditional sources of credit in the housing market such as pension and retirement funds, life insurance companies and individuals.

The recommendation includes a $200,000,000,000 limitation on loan commitments for mortgage-backed securities as requested, the same level provided in fiscal year 2001. The Committee also recommends $9,383,000 for administrative expenses to be transferred to the Salaries and Expenses account as requested, the same level provided in fiscal year 2001.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

Fiscal year 2002 recommendation	$46,900,000
Fiscal year 2001 appropriation	53,500,000
Fiscal year 2002 budget request	43,404,000
Comparison with fiscal year 2001 appropriation	−6,600,000
Comparison with fiscal year 2002 budget request	+3,496,000

The Housing and Urban Development Act of 1970 directs the Secretary to undertake programs of research, studies, testing, and demonstrations related to the HUD mission. These functions are carried out internally through contracts with industry, non-profit research organizations, and educational institutions and through agreements with state and local governments and other federal agencies.

The bill includes $46,900,000 for research and technology, an increase of $3,496,000 above the budget request. Of this amount, the Committee recommends $45,400,000 for research, technology, and policy analysis, including $7,500,000 for the Partnership for Advancing Technology in Housing (PATH) Initiative. Additionally, the Committee recommends $1,500,000 for the Millennial Housing Commission. Language is included making funds available for obligation for two years.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

Fiscal year 2002 recommendation	$45,899,000
Fiscal year 2001 appropriation	46,000,000
Fiscal year 2002 budget request	45,899,000
Comparison with fiscal year 2001 appropriation	−101,000
Comparison with fiscal year 2002 budget request	0

The Fair Housing Act, title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, prohibits discrimination in the sale, rental and financing of housing and authorizes assistance to State and local agencies in administering the provision of fair housing statutes. The Fair Housing Assistance Program (FHAP) assists State and local fair housing enforcement agencies that are certified by HUD as "substantially equivalent" to HUD with respect to enforcement policies and procedures. The FHAP assures prompt and effective processing of complaints filed under title VIII that are within the jurisdiction of State and local fair housing agencies. The Fair Housing Initiatives Program (FHIP) alleviates housing discrimination by providing support to private nonprofit organizations, State and local government agencies and other nonfederal entities for the purpose of eliminating or preventing discrimination in housing, and to enhance fair housing opportunities.

The Committee recommends a total of $45,899,000 for this account as requested. This amount represents a $7,500,000 increase for FHAP and FHIP programs above the fiscal year 2001 level, due to the fact that continued funding of $7,500,000 is no longer required to support the Housing Discrimination Survey in fiscal year 2002. Instead of reducing the fiscal year 2002 appropriation to reflect the non-recurring costs associated with the survey, the Committee instead recommends a $7,500,000 increase for FHAP and FHIP programs. Funding is provided as follows:

$26,450,000 is for FHAP programs, of which $13,500,000 is for case processing; $1,900,000 is for capacity building; $3,100,000 is for training; $1,700,000 is for special enforcement initiatives; $5,000,000 is for the FHAP partnership initiative; and $1,250,000 is for administrative costs. Funding has been provided above the request for case processing and related activities to enable FHAP agencies to continue to make progress in reducing the backlog of existing cases which remain unsolved for over 100 days.

$19,445,000 is for FHIP programs, of which $5,500,000 is for education and outreach; $11,949,000 is for private enforcement; and $2,200,000 is for fair housing organizations.

While the Committee has recommended additional funds for these programs in fiscal year 2002, the Committee remains dissatisfied with continued large carryover balances in this account. The Committee expects HUD to put mechanisms into place that will result in funds being dispersed and utilized in a more timely fashion. HUD is directed to provide a report to the Committee, not later than November 15, 2001, on the mechanisms that have been established to expedite utilization of these funds. HUD is further directed to provide quarterly reports to the Committee on obligation and expenditure of these funds, delineated by each program and

activity, with the first such report due no later than February 15, 2002.

OFFICE OF LEAD HAZARD CONTROL

LEAD HAZARD REDUCTION

Fiscal year 2002 recommendation	$109,758,000
Fiscal year 2001 appropriation	100,000,000
Fiscal year 2002 budget request	109,758,000
Comparison with fiscal year 2001 appropriation	+9,758,000
Comparison with fiscal year 2002 budget request	0

The Lead Hazard Reduction Program, authorized under the Housing and Community Development Act of 1992 (P.L. 102–550) provides grants to State and local governments to perform lead hazard reduction activities in housing occupied by low-income families. The program also provides technical assistance, undertakes research and evaluations of testing and cleanup methodologies, and develops technical guidance and regulations in cooperation with EPA.

The Committee recommends $109,758,000 for this account as requested, an increase of $9,758,000 above the fiscal year 2001 level, as follows:

$10,000,000 is for Operation LEAP (Lead Elimination Action Program), a new initiative requested in the budget to leverage private-sector resources to eliminate lead-based paint hazards in low-income housing. Operation LEAP funds will be allocated competitively to non-profit organizations and the private sector for activities which leverage additional funds for local lead hazard control programs.

$80,000,000 is for grants to State and local governments, and Native American tribes, for lead-based paint abatement activities in private low-income housing. This represents a $20,000,000 increase above the fiscal year 2001 level for these activities as requested.

$9,758,000 is for technical assistance and support to State and local agencies and private property owners as requested.

$10,000,000 is for the Healthy Homes Initiative as requested. Healthy Homes funds are competitively awarded to State, local or county agencies, non-profit and community-based organizations, landlord organizations, parents' organizations, and environmental contractors, for research, standards development, and education and outreach activities related to housing-related environmental childhood diseases.

The recommendation does not include a separate set-aside for CLEAR Corps. The Committee notes that as part of the Consolidated Planning process, State and local governments are expected to partner with non-profit organizations to develop and implement their lead-based paint abatement plans. The Committee encourages local CLEAR Corps programs to partner with local governments to receive funding support as part of the locality's Consolidated Plan.

The Committee is aware of a proposal put forth by the Alliance to End Childhood Lead Poisoning to create a Community Environmental Health Resource Center (CEHRC) to provide technical support, training, and education and outreach to community-based organizations to evaluate and control housing-related and commu-

nity-wide health hazards. While the Committee has not included an earmark for this new organization, the Committee encourages HUD to evaluate a proposal from the Alliance to create the CEHRC and provide a grant if warranted.

Language is included in the bill which makes a technical modification to the Healthy Homes Initiative. However, requested language related to environmental reviews under the National Environmental Policy Act is not included.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

	By transfer						
	Appropriation	FHA funds	GNMA funds	CPD	Title VI	Indian housing	Total
FY 2002 recommendation	$556,067,000	$520,000,000	$9,383,000	$1,000,000	$150,000	$200,000	$1,086,800,000
FY 2001 appropriation	543,267,000	518,000,000	9,383,000	1,000,000	150,000	200,000	1,072,000,000
FY 2002 budget request	556,067,000	530,457,000	9,383,000	1,000,000	150,000	200,000	1,097,257,000
Comparison with fiscal year 2001 appropriation	+12,800,000	+2,000,000	0	0	0	0	+14,800,000
Comparison with fiscal year 2002 budget request	0	−10,457,000	0	0	0	0	−10,457,000

A single appropriation has been provided to finance all salaries and related costs associated with administering the programs of the Department of Housing and Urban Development, except the Office of Inspector General and the Office of Federal Housing Enterprise Oversight. These activities include housing, mortgage credit and secondary market programs community planning and development programs, departmental management, legal services, and field direction and administration.

The Committee recommends total funding of $1,086,800,000 for the salaries and expenses of the Department, a net increase of $14,800,000 above the fiscal year 2001 appropriation. The recommendation provides an increase of $31,938,000 for pay and related inflationary costs, partially offset by a $14,780,000 decrease in automated data processing services. The amount provided will enable the Department to support 9,100 full-time equivalents (FTE), as requested. Funds are to be allocated by object class as follows:

Personnel Services—$788,270,000;
Travel and Transportation of Persons—$22,573,000;
Transportation of Things—$370,000;
Rent, Communications and Utilities—$119,427,000;
Printing and Reproduction—$4,644,000;
Other Services—$145,838,000;
Supplies and Materials—$4,932,000;
Furniture and Equipment—$582,000; and
Indemnities—$164,000.

Departmental Staffing Requirements.—In the past, the Committee has expressed concerns about HUD's approach to planning, allocating and utilizing its staff resources. The Committee has also been concerned that the average cost per HUD employee is excessive compared to other Federal agencies due to the aging of the HUD workforce, as well as a previous decision to permanently hire

400 community builders at an average salary cost of $91,000. As a result, the average cost per FTE in fiscal year 2002 is estimated at $87,772 as compared to $83,662 in fiscal year 2001, and $78,800 in fiscal year 2000. The Committee continues to believe that a long-term staffing strategy, based on a comprehensive resource management system, must be put in place at HUD to ensure staff resources are allocated to enable HUD to effectively manage its core programs. Last year, the Committee directed HUD to implement the Resource Estimation and Allocation Process (REAP) and develop a staffing plan based on this process. The Committee understands that HUD is in the process of completing this staffing plan. Language is included in the bill requiring HUD to submit this plan to the Committee no later than November 1, 2001. The Committee also expects this plan to include strategies to reduce the average salary cost per employee while reallocating staffing to address core mission requirements. Language is therefore included in the bill, similar to language carried in the fiscal year 2001 Act, limiting the number of vacancies which can be filled at the GS–14 and GS–15 levels. The bill also includes language requiring the Department of submit its staffing plan to the Committee no later than November 1, 2001.

*Budget Submission.*The Committee believes that the annual Budget Justification submitted by HUD to the Committee lacks sufficient information to enable the Committee to fully analyze HUD's budget requirements. While object classification displays are an informative part of any budget justification document, such displays should be a supplement, not a substitute, for detailed displays which delineate prior year, current year, and requested funding levels for each program, project, or activity within each account. In addition, if HUD is to continue its current practice of consolidating all funds for salaries and expenses within one account, the budget justification must be revised to reflect detailed information on prior year, current year, and requested position, FTE, and funding levels for each program office, delineated by headquarters and field office components, rather than simply providing an object class distribution at the account level. The Committee expects HUD, in consultation with the Committee, to develop revised budget justifications for submission as part of its fiscal year 2003 budget request. HUD is directed to provide a draft of this revised justification structure to the Committee no later than August 22, 2001.

Working Capital Fund/Information Technology Systems.—The Committee remains committed to improving HUD's capacity to disseminate useful information about program performance. To a large extent, both HUD's and Congress' ability to oversee the effectiveness of HUD's programs is undermined because data is inaccessible. Perennially, this deficiency continues to be cited by the Inspector General and the General Accounting Office. Last year, the Committee began to direct the transfer of specific amounts from various program accounts, including the Salaries and Expenses account, to the Working Capital Fund for development and maintenance of information technology systems. Language is included again this year transferring no less than $318,450,000 for the Fund from the following accounts:

Salaries and expenses—$85,000,000

FHA, Mutual mortgage insurance fund program—$96,500,000

FHA, General and special risk insurance fund program—$33,500,000

Community development fund—$15,000,000

HOME investment partnerships program—$17,000,000

Homeless assistance—$14,200,000

Public housing capital fund—$43,000,000

Native American Indian block grants—$2,000,000

Housing certificate fund—$11,000,000

Housing for special populations—$1,000,000

The Committee has not recommended the budget request of $362,150,000 for the Fund for fiscal year 2002, an increase of $35,032,000 above the fiscal year 2001 level, due to the failure of HUD to follow the Committee's direction to submit a comprehensive multi-year budget plan for information technology systems as part of its fiscal year 2002 budget justification. The plan was to delineate, on a program-by-program basis, a prioritized list of expenditures for information technology systems, based upon the deficiencies cited by GAO and the Inspector General. The Committee directs HUD to submit this plan to the Committee, no later than August 22, 2002, which reflects fiscal year 2001 and planned fiscal year 2002 expenditures, by program, from the Fund. Upon review of this plan, the Committee will reconsider HUD's fiscal year 2002 request for information technology systems.

The Committee is aware that concerns have been expressed about the impact of the Federal Reserve/Department of Treasury proposed regulation to redefine real estate brokerage and management activities as it relates to HUD's regulatory authorities under the Real Estate Settlement Procedures Act of 1974 (RESPA). The Committee expects HUD to examine the impact of this proposed rule as it relates to HUD's current regulations under RESPA and report back to the Committee on its findings no later than September 1, 2001.

Language is included in the bill, similar to language carried in prior Acts, which: (1) designates amounts provided from various accounts for salaries and expenses; (2) transfers no less than $85,000,000 to the Working Capital Fund; (3) limits the total number of GS–14 and GS–15 positions in the Department; and (4) requires submission of a staffing plan.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFERS OF FUNDS)

	Appropriation	FHA funds	Public housing	Total
FY 2002 recommendation	$61,555,000	$22,343,000	[1] $10,000,000	$93,898,000
FY 2001 appropriation	52,657,000	22,343,000	[1] 10,000,000	85,000,000
FY 2002 budget request	61,555,000	22,343,000	[1] 10,000,000	93,898,000
Comparison with fiscal year 2001 appropriation	+8,898,000	0	[1] 0	+8,898,000
Comparison with fiscal year 2002 budget request	0	0	0	0

[1] In fiscal year 2001, a transfer was provided to the Office of Inspector General from the Public Housing Drug Elimination Program account. In fiscal year 2002, this transfer is provided from the Public Housing Operating Subsidies account as requested.

The Office of Inspector General provides agency-wide audit and investigative functions to identify and correct management and administrative deficiencies that create conditions for existing or po-

tential instances of fraud, waste and mismanagement. The audit function provides internal audit, contract audit, and inspection services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters relative to negotiation, award, administration, re-pricing and settlement of contracts. Internal audits evaluate all facets of agency operations. Inspection services provide detailed technical evaluations of agency operations. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel and operations.

The Committee recommends the $93,898,000 for the Office of Inspector General as requested, an increase of $8,898,000 above the amount provided in fiscal year 2001. This increase is necessary to maintain the Inspector General's current program level as a result of a reduction in prior year carryover funds previously available to support this account. To partially offset the increased appropriation, a rescission of $6,700,000 from the Consolidated Fee Fund is included in the bill. Of this total amount provided, $10,000,000 is derived by transfer from the Public Housing Operating Subsidies account for Operation Safe Home, and $22,343,000 is transferred from FHA funds.

Language is included in the bill, similar to language carried in prior Acts, which: (1) designates amounts available to the Inspector General from other accounts; and (2) clarifies the authority of the Inspector General with respect to certain personnel issues.

CONSOLIDATED FEE FUND

(RESCISSION)

FY 2002 recommendation	−$6,700,000
FY 2001 appropriation	0
FY 2002 budget request	−6,700,000
Comparison with fiscal year 2001 appropriation	−6,700,000
Comparison with fiscal year 2002 budget request	0

Section 7(j) of the Department of Housing and Urban Development Act establishes fees and charges from selected programs which are deposited in the fund to offset the costs of audits, inspections and other related expenses that may be incurred by the Department in monitoring these programs. These fees were misclassified as deposit funds in previous years, and have been reclassified as on-budget Federal funds.

The Committee recommends a rescission of $6,700,000 from the Fund, as requested, to partially offset the funding requirements of the Office of the Inspector General.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Fiscal year 2002 recommendation	$23,000,000
Fiscal year 2001 appropriation	22,000,000
Fiscal year 2002 budget request	27,000,000
Comparison with fiscal year 2001 appropriation	+1,000,000
Comparison with fiscal year 2002 budget request	−4,000,000

The Office of Federal Housing Enterprise Oversight (OFHEO) was established in 1992 to regulate the financial safety and sound-

ness of the two housing government-sponsored enterprises (GSEs)—the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). The office was authorized in the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, which also provided the regulator enhanced authority to enforce these standards. In addition to financial regulation, the OFHEO monitors the GSEs compliance with affordable housing goals that were contained in the Act.

The Committee recommends an appropriation of $23,000,000 which is $1,000,000 above fiscal year 2001 and $4,000,000 below the budget request.

ADMINISTRATIVE PROVISIONS

The bill contains a number of administrative provisions.

Section 201 relates to the division of financing adjustment factors, as requested.

Section 202 prohibits available funds from being used to investigate or prosecute lawful activities under the Fair Housing Act, which was proposed for deletion.

Section 203 continues language to correct an anomaly in the HOPWA formula that results in the loss of funds for certain States, however requested language to make this provision permanent is not included.

Section 204 extends a technical amendment included in the fiscal year 2000 appropriations Act relating to the allocation of HOPWA funds in the Philadelphia metropolitan area, as requested.

Section 205 authorizes the FHA to insure hybrid adjustable rate mortgages, slightly modified from the requested language.

Section 206 authorizes the Secretary to change the premium structure in the FHA condominium and single family rehabilitation loan programs to make the premiums charged consistent with other FHA single family programs.

The Committee does not recommend nine new administrative provisions requested in the budget.

Section 207 authorizes the Secretary to waive certain requirements related to an assisted living pilot project.

TITLE III

INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

Fiscal year 2002 recommendation	$35,466,000
Fiscal year 2001 appropriation	28,000,000
Fiscal year 2002 budget request	28,466,000
Comparison with fiscal year 2001 appropriation	7,466,000
Comparison with fiscal year 2002 budget request	7,000,000

The Commission is responsible for the administration, operation and maintenance of cemetery and war memorials to commemorate the achievements and sacrifices of the American Armed Forces where they have served since April 6, 1917. In performing these functions, the American Battle Monuments Commission maintains twenty-four permanent American military cemetery memorials and

thirty-one monuments, memorials, markers and offices in fifteen foreign countries, the Commonwealth of the Northern Mariana Islands, and the British dependency of Gibraltar. In addition, five memorials are located in the United States: the East Coast Memorial in New York; the West Coast Memorial, The Presidio, in San Francisco; the Honolulu Memorial in the National Memorial Cemetery of the Pacific in Honolulu, Hawaii; and the American Expeditionary Forces Memorial and the Korean War Veterans Memorial in Washington, DC.

The Committee recommends $35,466,000 for fiscal year 2002 to administer, operate and maintain the Commission's monuments, cemeteries, and memorials throughout the world. This amount includes $2,000,000 for the fifth and final increment provided the Commission to reduce the maintenance backlog identified prior to passage of the fiscal 1998 appropriation. After fiscal year 2002, it is the Commission's plan, as well as the Committee's expectation, that maintenance requirements will be budgeted for and dealt with in a timely manner so as to ensure that the cemeteries and memorials under ABMC's jurisdiction are maintained at a high standard to reflect the nation's continuing commitment to its Honored War Dead and their families. The Committee notes and commends the work performed by the Commission in first prioritizing and then eliminating its lengthy backlog of maintenance needs.

The Committee has included an additional $5,000,000 for the American Battle Monuments Commission for the cost of construction of a new visitor center at the American Cemetery in Normandy, France. The cemetery averages 1.6 million visitors per year. Existing facilities are 40 years old and inadequate to serve this large number of visitors. In addition, a new and expanded visitor center can provide a fuller array of interpretive services to put the D-Day landings and the following battle in Europe in perspective as one of the greatest military achievements of all time, albeit at a staggering price in American and Allied casualties. The battle at Normandy is universally recognized a pivotal moment in World War II and for determining the future course of European and world history.

The Committee intends that the Commission work with the National Park Service on a study regarding the placement, scope and character of a new center which will accommodate current and future visitation projections while respecting the solemnity of the site and sensitivity of interested parties including families of servicemen interred at the cemetery, the host nation, and Allied forces who participated in the invasion and ensuing battle. The Park Service has extensive experience in this area and has collaborated with foreign governments on numerous visitor service projects. In addition, the Committee believes the American Folklife Center of the Library of Congress, which has been charged by Congress with developing a record of oral histories of American veterans can be a helpful partner in the efforts to interpret the battle and the sacrifices of American servicemen who were killed or wounded in the D-Day landings and ensuing battle.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

SALARIES AND EXPENSES

Fiscal year 2002 recommendation	$8,000,000
Fiscal year 2001 appropriation	7,500,000
Fiscal year 2002 budget request	7,621,000
Comparison with fiscal year 2001 appropriation	+500,000
Comparison with fiscal year 2002 request	+379,000

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

For fiscal year 2002, the Committee is recommending $8,000,000, an increase of $500,000 over the level for fiscal year 2001 and an increase of $379,000 over the President's budget request.

Again this year, bill language has been included which limits the number of career senior executive service positions to three. Bill language has also been included which makes $2,500,000 of the appropriated funds available for two fiscal years.

Bill language included in fiscal year 2001 has again been included stipulating that the Inspector General of the Federal Emergency Management Agency will hereafter serve as the Inspector General for the Board.

DEPARTMENT OF THE TREASURY

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT

Fiscal year 2002 recommendation	$80,000,000
Fiscal year 2001 appropriation	118,000,000
Fiscal year 2002 budget request	67,948,000
Comparison with fiscal year 2001 appropriation	−38,000,000
Comparison with fiscal year 2002 request	+12,052,000

The Community Development Financial Institutions Fund provides grants, loans and technical assistance to new and existing community development financial institutions such as community development banks, community development credit unions, revolving loan funds and micro-loan funds. Recipients must use the funds to support mortgage, small business and economic development lending in currently underserved, distressed neighborhoods. The Fund will also be responsible for implementation of the Community Renewal Tax Relief Act of 2000, upon completion of appropriate rules and regulations by the Internal Revenue Service.

The Committee recommends an appropriation of $80,000,000 for the program in fiscal year 2002. The recommendation is an increase of $12,052,000 to the budget request and is a decrease of $38,000,000 from the fiscal year 2001 appropriation. The Committee recognizes that the recently enacted Community Renewal Tax Relief Act of 2000 is expected to provide a significant source of new investment in distressed communities. However, the timetable for completion of the necessary rules and regulations to implement the Act leads to the conclusion that without additional funding in the core CDFI programs, there will be short-term gaps

in providing resources to distressed communities which the Committee finds unacceptable. In order to continue the progress being made by the CDFI programs, the Committee recommends an increase in the funding for fiscal year 2002 as a gap-filler until the Internal Revenue Service is be able to finalize the Community Renewal Tax Relief Act rules and regulations.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

Fiscal year 2002 recommendation	$54,200,000
Fiscal year 2001 appropriation	52,500,000
Fiscal year 2002 budget request	54,200,000
Comparison with fiscal year 2001 appropriation	+1,700,000
Comparison with fiscal year 2002 request	0

The Consumer Product Safety Act established the Consumer Product Safety Commission, an independent Federal regulatory agency, to reduce unreasonable risk of injury associated with consumer products. Its primary responsibilities and overall goals are: to protect the public against unreasonable risk of injury associated with consumer products; to develop uniform safety standards for consumer products, minimizing conflicting State and local regulations; and to promote research into prevention of product-related deaths, illnesses, and injuries.

The Committee recommends an appropriation of $54,200,000 for fiscal year 2002, an increase of $1,700,000 over the fiscal year 2001 appropriation and the same amount included in the budget request.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS OPERATING EXPENSES

Fiscal year 2002 recommendation	$0
Fiscal year 2001 appropriation	428,500,000
Fiscal year 2002 budget request	411,480,000
Comparison with fiscal year 2001 appropriation	−428,500,000
Comparison with fiscal year 2002 budget request	−411,480,000

The Corporation for National and Community Service was established by the National and Community Service Trust Act of 1993 to enhance opportunities for national and community service and provide national service educational awards. The Corporation makes grants to States, institutions of higher education, public and private nonprofit organizations, and others to create service opportunities for a wide variety of individuals such as students, out-of-school youth, and adults through innovative, full-time national and community service programs. National service participants may receive educational awards which may be used for full-time or part-time higher education, vocational education, job training, or school-to-work programs. Funds for the Volunteers in Service to America and the National Senior Service Corps are provided in the Labor-Health and Human Services-Education Appropriations bill.

The fiscal year 2002 budget request for program and administrative activities of the Corporation for National and Community Service is $411,480,000. The Committee recommends no funding for this program in fiscal year 2002. Language is included in the bill which directs the Corporation to use any funds remaining from

prior year's appropriations to accomplish the orderly closure of the Corporation.

OFFICE OF INSPECTOR GENERAL

Fiscal year 2002 recommendation	$5,000,000
Fiscal year 2001 appropriation	5,000,000
Fiscal year 2002 budget request	5,000,000
Comparison with fiscal year 2001 appropriation	0
Comparison with fiscal year 2002 budget request	0

The Office of Inspector General is authorized by the Inspector General Act of 1978, as amended. This Office provides an independent assessment of all Corporation operations and programs, including those of the Volunteers in Service to America and the National Senior Service Corps, through audits, investigations, and other proactive projects.

The Committee recommends an appropriation of $5,000,000 for fiscal year 2002, the same as the budget request and the fiscal year 2001 funding level.

U.S. Court of Appeals for Veterans Claims

SALARIES AND EXPENSES

Fiscal year 2002 recommendation	$13,221,000
Fiscal year 2001 appropriation	12,445,000
Fiscal year 2002 budget request	13,221,000
Comparison with fiscal year 2001 appropriation	+776,000
Comparison with fiscal year 2002 budget request	0

The Veterans Benefits Administration Adjudication Procedure and Judiciary Review Act established the Court of Appeals for Veterans Claims. The Court reviews appeals from Department of Veterans Affairs claimants seeking review of a benefit denial. The Court has the authority to overturn findings of fact, regulations and interpretations of law.

The bill includes the budget request of $13,221,000 for the Court of Appeals for Veterans Claims in fiscal year 2002, an increase of $776,000 above the current year appropriation.

The bill also identifies $895,000 of the funds provided to fully fund the pro bono representation program.

Department of Defense—Civil

Cemeterial Expenses, Army

SALARIES AND EXPENSES

Fiscal year 2002 recommendation	$22,537,000
Fiscal year 2001 appropriation	17,949,000
Fiscal year 2002 budget request	18,437,000
Comparison with fiscal year 2001 appropriation	+4,588,000
Comparison with fiscal year 2002 budget request	+4,100,000

The Secretary of the Army is responsible for the administration, operation and maintenance of Arlington National Cemetery and the Soldiers' and Airmen's Home National Cemetery. At the close of fiscal year 2000, the remains of 283,553 persons were interred/inured in these cemeteries. Of this total, 241,024 persons were interred and 28,183 remains inured in the Columbarium in Arlington National Cemetery, and 14,348 remains were interred in the Sol-

diers' and Airmen's Home National Cemetery. There were 3,688 interments and 2,223 inurnments in fiscal year 2000. It is projected that there will be 3,700 interments and 2,400 inurnments in fiscal year 2001; and 3,800 interments and 2,500 inurnments in fiscal year 2002. In addition to its principal function as a national cemetery, Arlington is the site of approximately 3,000 nonfuneral ceremonies each year and has approximately 4,000,000 visitors annually.

The Committee recommends $22,537,000 for operations and maintenance of the Cemetery, an increase of $4,588,000 over the fiscal year 2001 funding level and $4,100,000 over the budget request. The Committee commends the administration's decision to include the fiscal year 2001 funding increase as a part of the base in the fiscal year 2002 budget request. The Committee has provided an additional $4,100,000 over the budget request to fully fund the proposed columbarium construction project in fiscal year 2002.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

NATIONAL INSTITUTES OF HEALTH

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

Fiscal year 2002 recommendation	$70,228,000
Fiscal year 2001 appropriation	63,000,000
Fiscal year 2002 budget request	70,228,000
Comparison with fiscal year 2001 appropriation	+7,228,000
Comparison with fiscal year 2002 budget request	0

The National Institute of Environmental Health Sciences, an agency within the National Institutes of Health, was authorized in section 311(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to conduct certain research and worker training activities associated with the nation's Hazardous Substance Superfund program.

For fiscal year 2002 the Committee has recommended a funding level of $70,228,000, the same as the budget request and an increase of $7,228,000 over the fiscal year 2001 level. The Committee's recommendation includes $46,000,000 for research and $24,228,000 for the worker training program.

AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY

SALARIES AND EXPENSES

Fiscal year 2002 recommendation	$78,235,000
Fiscal year 2001 appropriation	75,000,000
Fiscal year 2002 budget request	78,235,000
Comparison with fiscal year 2001 appropriation	+3,235,000
Comparison with fiscal year 2002 budget request	0

The Agency for Toxic Substances and Disease Registry (ATSDR), an agency of the Public Health Service, was created in section 104(i) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980. The ATSDR's primary mission is to conduct surveys and screening programs to determine relationships between exposure to toxic substances and illness. Other activities include the maintenance and annual update of a list of hazardous substances most commonly found at Superfund sites, the prepara-

tion of toxicological profiles on each such hazardous substance, consultations on health issues relating to exposure to hazardous or toxic substances, and the development and implementation of certain research activities related to ATSDR's mission.

For fiscal year 2002, the Committee has recommended a funding level of $78,235,000, the same as the budget request and an increase of $3,235,000 above the fiscal year 2001 funding level.

The Committee encourages ATSDR to continue to provide adequate funds for minority health professions, as well as for continuation of a health effects study on the consumption of Great Lakes fish.

ENVIRONMENTAL PROTECTION AGENCY

Fiscal year 2002 recommendation	$7,545,445,000
Fiscal year 2001 appropriation	7,828,851,000
Fiscal year 2002 budget request	7,316,599,000
Comparison with fiscal year 2001 appropriation	−283,406,000
Comparison with fiscal year 2002 budget request	+228,846,000

The Environmental Protection Agency was created by Reorganization Plan No. 3 of 1970, which consolidated nine programs from five different agencies and departments. Major EPA programs include air and water quality, drinking water, hazardous waste, research, pesticides, radiation, toxic substances, enforcement and compliance assurance, pollution prevention, oil spills, Superfund and the Leaking Underground Storage Tank (LUST) program. In addition, EPA provides Federal assistance for wastewater treatment, sewer overflow control, drinking water facilities, and other water infrastructure projects. The agency is responsible for conducting research and development, establishing environmental standards through the use of risk assessment and cost-benefit analysis, monitoring pollution conditions, seeking compliance through a variety of means, managing audits and investigations, and providing technical assistance and grant support to states and tribes, which are delegated authority for actual program implementation. Finally, the Agency participates in some international environmental activities.

Among the statutes for which the Environmental Protection Agency has sole or significant oversight responsibilities are:

National Environmental Policy Act of 1969, as amended.

Federal Insecticide, Fungicide, and Rodenticide Act, as amended.

Toxic Substances Control Act, as amended.

Federal Water Pollution Control Act, as amended.

Federal Food, Drug and Cosmetic Act, as amended.

Marine Protection, Research, and Sanctuaries Act of 1972, as amended.

Oil Pollution Act of 1990.

Public Health Service Act (Title XIV), as amended.

Solid Waste Disposal Act, as amended.

Clean Air Act, as amended.

Safe Drinking Water Act, as amended.

Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended.

Emergency Planning and Community Right-to-Know Act of 1986.

Pollution Prevention Act of 1990.

Resource Conservation and Recovery Act, as amended.

For fiscal year 2002, the Committee has recommended a total program and support level of $7,545,445,000 a decrease of $283,406,000 below last year's appropriated level and an increase of $228,846,000 above the budget request.

Of the amounts approved in the following appropriations accounts, the Agency must limit transfers of funds between objectives to not more than $500,000, except as specifically noted, without prior approval of the Committee. No changes may be made to any account or objective except as approved by the Committee, if it is construed to be policy or a change in policy. Any activity or program cited in the report shall be construed as the position of the Committee and should not be subject to reductions or reprogramming without prior approval of the Committee. It is the intent of the Committee that all carryover funds in the various appropriations accounts are subject to the normal reprogramming requirements outlined above. The Agency is expected to comply with all normal rules and regulations in carrying out these directives. Reprogramming requests associated with States and Tribes applying for Partnership Grants do not need to be submitted to the Committee for approval should such grants exceed the normal reprogramming limitations. Finally, the Committee wishes to continue to be notified regarding reorganizations of offices, programs, or activities prior to the planned implementation of such reorganizations, as well as be notified, on a monthly basis, of all ongoing litigation, including any negotiations or discussions, planned or ongoing, regarding a consent decree between the Agency and any other entity.

SCIENCE AND TECHNOLOGY

Fiscal year 2002 recommendation [1]	$680,410,000
Fiscal year 2001 appropriation	696,000,000
Fiscal year 2002 budget request	640,538,000
Comparison with fiscal year 2001 appropriation	−15,590,000
Comparison with fiscal year 2002 budget request	+39,872,000

[1] Total does not include transfer of $36,891,000 from the Hazardous Substance Superfund.

The Science and Technology account funds all Environmental Protection Agency research (including Hazardous Substances Superfund research activities) carried out through grants, contracts, and cooperative agreements with other Federal agencies, states, universities, and private business, as well as on an in-house basis. This account also funds personnel compensation and benefits, travel, supplies and operating expenses for all Agency research. Research addresses a wide range of environmental and health concerns across all environmental media and encompasses both long-term basic and near-term applied research to provide the scientific knowledge and technologies necessary for preventing, regulating, and abating pollution, and to anticipate emerging environmental issues.

The Committee has recommended an appropriation of $680,410,000 for Science and Technology for fiscal year 2002, a decrease of $15,590,000 below last year's spending level, and an increase of $39,872,000 above the budget request.

The Committee's recommended appropriation includes the following increases to the budget request:

1. +$2,500,000 for EPSCoR.
2. +$4,000,000 for Water Environmental Research Foundation.
3. +$5,000,000 for the American Water Works Association Research Foundation.
4. +$2,000,000 for the National Decentralized Water Resource Capacity Development Project, in coordination with EPA, for continued training and research and development program.
5. +$30,000,000 for a targeted environmental research grant program.

Other Science and Technology program levels include:

1. Hazardous waste research is funded at $7,500,000, an increase of $510,000 above the 2001 funding level.
2. The Environmental Monitoring and Assessment Program is funded at $30,999,800, an increase of $1,386,100 above the fiscal 2001 level.

For Science and Technology, no general reduction is proposed.

In addition to the funds provided through appropriations directly to this account, the Committee has recommended that $36,891,000 be transferred to "Science and Technology" from the "Hazardous Substance Superfund" account for ongoing research activities consistent with the intent of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended.

Again this year, the Committee notes that the Experimental Program to Stimulate Competitive Research (EPSCoR) is designed to improve the scientific and technological capacity of states with less developed research infrastructure. Developed with NASA and the National Science Foundation as partners, the Committee has provided EPA with $2,500,000 for its continued participation in this program.

The Committee is concerned that the Agency has paid little attention and provided fewer resources to the development of alternative test methods which provide appropriate protection of public health while at the same time minimizing the numbers of animals used in the conduct of those tests. The Committee therefore has provided $4 million from within available funds throughout the Science and Technology account for the research, development and validation of non-animal, alternative chemical screening and prioritization methods, such as rapid, non-animal screens and Quantitative Structure Activity Relationships (QSAR), for potential inclusion in EPA's current and future relevant chemical evaluation programs. Activities funded in this regard should be designed in consultation with the Office of Pollution Prevention and Toxic Substances.

The Committee further requests that the Agency provide a report to the Committee by April 30, 2002 regarding actual expenditures and plans for additional expenditures for FY 2002 funds for research, development and validation of non-animal, alternative methods by the Office of Research and Development. This new research program is not intended to impose or imply any specific linkage to any of EPA's current or proposed mandated or voluntary testing initiatives, nor is it intended to impose or imply an explicit requirement on any of EPA's current or proposed mandated or voluntary testing initiatives to include alternative methods.

The Committee is aware of concerns in Escambia County, Florida regarding anecdotal evidence of a link between elevated levels of

illness in Northwest Florida and the levels of toxic pollutants in the area. The Agency is urged to review all available environmental and health information to determine if these relationships pose a scientific basis for further review and action.

The Committee is concerned that while the Agency recognizes that the dose-response relationship for arsenic may be sublinear, a position supported by the National Academy of Sciences in 1999, EPA continues to rely on traditional linear modeling because the Agency "lacks sufficient available, peer-reviewed information to estimate quantitatively a non-linear mode of action." Consistent with this acknowledgement and the requirements of the Safe Drinking Water Act Amendments of 1996, the Committee strongly encourages the Agency to enter into contracts and any cooperative agreements not later than 180 days after the date of enactment of this Act to obligate and fully disburse the funds herein provided for research and its validation that will enable the Agency to describe the mode of action for arsenic, the shape of the dose-response curve, identify the key events, and develop a model to estimate quantitatively the dose-response curve. The Agency shall periodically update the Committees on Appropriations on its progress towards completing this research.

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

Fiscal year 2002 recommendation	$2,014,799,000
Fiscal year 2001 appropriation	2,087,990,000
Fiscal year 2002 budget request	1,972,960,000
Comparison with fiscal year 2001 appropriation	−73,191,000
Comparison with fiscal year 2002 budget request	+41,839,000

The Environmental Programs and Management account encompasses a broad range of abatement, prevention, and compliance activities, and personnel compensation, benefits, travel, and expenses for all programs of the Agency except Science and Technology, Hazardous Substance Superfund, Leaking Underground Storage Tank Trust Fund, Oil Spill Response, and the Office of Inspector General.

Abatement, prevention, and compliance activities include setting environmental standards, issuing permits, monitoring emissions and ambient conditions and providing technical and legal assistance toward enforcement, compliance, and oversight. In most cases, the states are directly responsible for actual operation of the various environmental programs. In this regard, the Agency's activities include oversight and assistance in the facilitation of the environmental statutes.

In addition to program costs, this account funds administrative costs associated with the operating programs of the Agency, including support for executive direction, policy oversight, resources management, general office and building services for program operations, and direct implementation of all Agency environmental programs—except those previously mentioned—for Headquarters, the ten EPA Regional offices, and all non-research field operations.

For fiscal year 2002, the Committee has recommended $2,014,799,000 for Environmental Programs and Management, an increase of $41,839,000 above the budget request and a decrease of $73,191,000 below the fiscal year 2001 funding level. For this account only, the Agency may transfer funds of not more than

$500,000 between programs and activities without prior notice to the Committee, and of not more than $1,000,000 without prior approval of the Committee. But for this difference, all other reprogramming procedures as outlined earlier shall apply.

The Committee's recommended appropriation includes the following increases to the budget request:

1. +$16,000,000 for rural water technical assistance activities and groundwater protection with distribution as follows: $9,000,000 for the NRWA; $3,500,000 for RCAP; $750,000 for GWPC; $1,750,000 for Small Flows Clearinghouse; and $1,000,000 for the NETC.

2. +$1,000,000 for implementation of the National Biosolids Partnership Program.

3. +$1,500,000 for source water protection programs.

4. +$5,000,000 to assist in carrying out EPA's regional haze rules regarding the operation of regional planning organizations to address visibility impairments throughout the country;

5. +$5,000,000 to accelerate the development of new and update current Integrated Risk Information System (IRIS) values;

6. +$25,000,000 for a targeted environmental grant program.

Other Environmental Programs and Management activities are funded at the following levels:

1. $20,799,500 for the Chesapeake Bay Program, an increase of $1,980,800 above the budget request;

2. $15,500,000 for the Great Lakes National Program Office, an increase 0f $537,600 above the request;

3. $20,000,000 for the Estuary Program, an increase of $2,946,800 above the budget request;

4. $107,000,000 for Administrative Services;

5. $9,000,000 for Direct Public Information and Assistance;

6. $15,500,000 for Public Access programs;

7. $51,000,000 for Regional Management activities;

8. $197,524,300 for rent, utilities and security. This funding level provides a four percent increase above the fiscal year 2001 appropriation while the Congressional Budget Office has assumed a 2.2% GDP deflator calculation for fiscal 2002 non-personnel costs;

9. $17,000,000 for Reinvention programs; and

10. $2,000,000 for Project XL.

The Committee has recommended no general reduction for this account.

The Committee has, within available funds, provided $2,000,000 for the eight Environmental Finance Centers. This represents an increase of $751,000 over the budget request for this excellent program. Again this year, the Agency is directed to provide no less than the budget request levels for Pesticide Registration and Reregistration programs as well as no less than last year's level for the Environmental Education programs. Bill language has been included under Administrative Provisions which authorizes for one year the collection by EPA of $17,000,000 in maintenance fees. The Committee expects that, in the absence of a new tolerance fee, up to $9,000,000 requested in the budget submission to support 87 FTE in the reregistration program will be used to support tolerance reassessment activities.

Again this year, bill language has been included in Title IV, General Provisions, prohibiting funds for use to promulgate a final reg-

ulation to implement changes in the payment of pesticide tolerance processing fees as proposed at 64 Federal Register 31040, or any similar proposal. Also included in Title IV, General Provisions is language that prohibits the collection of pesticide registration fees if a new maintenance fee has gone into effect.

The Committee has included an additional $5,000,000 above the budget request to assist in carrying out EPA's regional haze rules regarding operations of the five Regional Planning Organizations (RPOs). These additional funds are intended to, among other things, help facilitate the collection of data and the conduct of intensive field studies necessary to develop proper analytical tools and to support the further development of implementation plans, as well as to assist in integrating the implementation of the current visibility protection program addressing reasonably attributable visibility impairment and of new source review as it relates to class I areas.

In addition to funds provided to the NRWA, RCAP, the GWPC, NETC, and the Small Flows Clearinghouse, the Committee has again provided $1,500,000 for source water protection programs. The Committee intends that these funds be used to develop local source water protection programs within each state utilizing the infrastructure and process of an organization now engaged in groundwater and wellhead protection programs. These resources will provided additional technicians for in-the-field work and will virtually guarantee that many more communities will adopt local, countrywide and/or regional source water protection programs targeted to the highest risk watershed areas in each state.

The Committee has provided, from within available funds, $2,000,000 for the Administrator to develop and carry out a lamp recycling outreach program. In order to increase awareness of proper disposal methods among commercial and industrial users of energy efficient mercury-containing lamps, including fluorescent and high discharge lamps, this program should be used to promote lamp recycling, in compliance with the provisions of Federal and State Universal Waste Rules. The program is to be developed jointly with State environmental agencies, and with lamp manufacturers and lamp recyclers, either as individual companies, or collectively through their trade associations.

The Committee remains concerned regarding the extensive backlog of pending environmental justice cases. To address this concern, the Committee has provided the budget request of $11,898,000 for Civil Rights/Title VI Compliance, an increase of $2,758,000 above the fiscal 2001 level, and encourages the Agency to move expeditiously to resolve as many of these cases as is possible.

For fiscal year 2002, the Committee has provided the budget request of $475,008,000 for all programs of the Office of Enforcement and Compliance Assistance, an increase of $9,778,000 above the fiscal 2001 funding level and an increase of $32,626,400 above the fiscal 2000 funding level. Within the fiscal year 2002 appropriation, $26,826,300, an increase of $1,460,600 over 2001, has been provided for Compliance Assistance activities which the Committee believes must remain an essential element of EPA regulatory policy.

In this regard, the Committee is concerned that EPA has largely failed to deliver on its commitments in its "Aiming for Excellence" report, or its obligations under SBREFA, to issue compliance tools

for new regulations. The Committee believes that program offices, not just OECA, share the obligation to develop these tools, and expects that EPA will now meet these obligations. In developing compliance tools, EPA is expected to make funds within the Compliance Assistance and Centers key program available to program offices developing the relevant rules as may be necessary to assure timely development of tools. EPA should start working on the tools while the relevant rule is still under development, rather than after the rule is finished, since doing so will, in EPA's words, "allow us to develop more effective, understandable regulations designed for application in real-world situations." EPA should also involve regulated entities and other interested parties in the development of these tools, to leverage outside resources and produce tools that are more useful.

The Committee's recommendation includes an additional $3,000,000 above the budget request from within available funds to assist the Office of Prevention, Pesticides and Toxic Substances in implementing the High Production Volume Chemical Challenge Program (HPV). These additional resources are intended to assist the Agency in its test plan review and data review and management of test results activities, thus helping the EPA and industry meet commitments to have proper HPV data available for distribution to the public in a timely manner.

The Committee recognizes the potential of the new ambient temperature glass technology to reduce airborne and waterborne chemicals released into the environment, as well as the potential health benefits for indoor air quality and cleanliness in homes, institutions, and hospitals. The Air Quality Planning and Standards Office of the EPA has been provided $200,000 from within available funds to set standards and to increase public and government awareness of the benefits for this technology.

The Conference Report accompanying the fiscal year 2001 appropriations for EPA included language which requested that EPA meet its own goal of 21 Integrated Risk Information System (IRIS) revisions in fiscal 2001. Earlier, the Senate Report accompanying the 2001 legislation stated that EPA should "devote all necessary resources, including continued collaboration with external entities where possible" to updating files. Despite these recent directives, EPA appears to have taken few steps to accelerate the development or review of IRIS values, which have averaged only 5 per year since the inception of the IRIS Pilot Program in 1996. Accordingly, the Committee has included an additional $5,000,000 above the budget request for continued work to accelerate new and updated IRIS values.

The Committee is aware that there are a number of organizations eligible as grantees under title V of the Older Americans Act for participation in EPA's Senior Environmental Employment (SEE) Program that, for a variety of reasons, are not currently participating in the program. In an effort to afford all eligible grantees an opportunity to take part in this important and worthwhile activity, the Agency is strongly urged to develop program guidelines which, either on a current or rotating basis, allow more participation in the program from those eligible groups who may wish to take part.

The Committee is concerned with EPA's progress in compiling emissions data from the states on the 188 Hazardous Air Pollutant (HAP) emissions. During the initial database development, just 36 of 50 states responded to the Agency, and many of these 36 states delivered information on just a few of the 188 HAPs. In an effort to resolve this serious situation, the Agency is strongly urged to develop and implement a state grant program to specifically fund the HAP inventory development process. Such a program should concentrate first on the 14 states with little or no HAP inventory, followed by assistance to the many states which still have very rudimentary data on many of their state HAP emissions. Implementing such a program to specifically assist the states which had limited database information during the 1996 NTI development would go a long way towards increasing the accuracy and completeness of the current inventory and subsequent community risk assessments.

In November 1999, the Agency published a notice outlining a program to reform the hazardous waste regulatory program by identifying low-risk wastes that could safely be regulated under state non-hazardous waste programs. The heart of this program is a Multi-Media, Multi-Pathway, Multi-Receptor Risk Assessment model (3MRA), which has been found in independent testing to be technically flawed and unrealistically conservative, as well as complex and difficult to operate. While the Committee fully supports the reform of this program, it is important that the tools identifying those wastes which can safely exit RCRA oversight be realistic and workable. The Committee therefore strongly encourages the Agency to spend no resources to utilize the 3MRA risk model or any portion of the model, for any regulatory or other similar purposes until the entire model and its individual components have undergone independent, external peer review and the Agency has either incorporated the recommendations into the model or has explained publicly why it has not.

The Committee is aware of the extraordinary success the military services have achieved in recent years by utilizing pulse technology in vehicles and equipment. This technology has contributed to significant cost savings in battery management programs and has enhanced the ability of the military services to increase the effectiveness of their environmental responsibilities through the extension of the service life of its batteries. The Committee has directed elsewhere in this report that the Federal Emergency Management Agency and the National Aeronautics and Space Administration closely examine the opportunities for cost savings and associated environmental benefits of using pulse technology for their battery management programs. The Committee also expects EPA to actively investigate the environmental and monetary benefits that could be realized by encouraging government-wide use of pulse technology in the maintenance of the Federal vehicle fleet and other applicable equipment.

The Committee has provided the full budget request for the Endocrine Disrupter Screening Program and directs that no reductions be proposed in the operating plan submission for this important program. In addition, the Committee is encouraged that the Agency is establishing the Endocrine Disruptor Methods Validation Subcommittee (EDMVS) of the National Advisory Council for Environmental Policy (NACEPT). The EDMVS will provide a means by

which interested parties can participate to express their concerns and work to ensure a scientifically sound validation process for the animal and non-animal based screens and tests in the developing program. The Committee urges EPA to develop validation processes that incorporate the advice of the EDMVS, and the Agency is requested to provide a report to the Committee on the status of the EDMVS by March 15, 2002.

This Committee and the Agency have long recognized the environmental importance of watersheds. Because the Mid-Atlantic Highlands is comprised of three major watersheds on 79,000 square miles, which affect water quality from the Potomac Highlands to the Gulf of Mexico, there is a need to establish a federal program for collaborative monitoring, research, management, and restoration activities within this area.

The Agency, in August 2000, published an assessment of the state of the streams of the Mid-Atlantic Highlands. Due to the importance of the Mid-Atlantic Highlands and the success of the aforementioned assessment, the Committee directs the Agency to prepare a follow-up report on the state of the Mid-Atlantic Highlands as a whole by April 15, 2002. Further, the Administrator is expected to enter into an interagency agreement with other Federal agencies and cooperative agreements with states, local governments and non-governmental organizations, such as the Canaan Valley Institute, to carry out the goals of the Mid-Atlantic Highlands program. The Administrator should coordinate the actions of the EPA with those of the appropriate officials of state and local authorities to improve water quality, living resources, and the habitat of the Mid-Atlantic Highlands; to obtain support of the appropriate officials of the agencies in achieving the objectives of the Mid-Atlantic Highlands program; and to implement an outreach program for public information and education to foster stewardship of the resources of this area.

In 1992, Congress directed EPA to correct the over-breadth of the Mixture and Derived-From Rules and revise them accordingly by October 1994. Because EPA has failed to revise the rules, the Committee once again expects EPA to amend the RCRA mixture and derived-from rules to provide for low risk treatment residues and dilute mixtures to be managed by state non-hazardous industrial waste management programs. EPA has solicited and received comments on at least five specific, targeted reforms to the mixture and derived-from rules and should be able to move forward on these recommendations in short order. The time for EPA to gather more information on this topic expired years ago, and the Committee now expects EPA to move expeditiously to rectify this unacceptable situation. The Committee notes further that its expectations in this regard in no way affect any pending litigation over the validity of the mixture and derived-from rules.

Due to the controversy surrounding EPA's proposed regulations to revise its TMDL program, the Supplemental Appropriations Bill for Fiscal Year 2000 included statutory language that prohibited EPA from using funds made available for fiscal year 2000 or 2001 to make a final determination on or to implement any new rule relating to TMDLs published in the Federal Register on August 23, 1999.

In July 2000, before the Supplemental Appropriations Bill was signed into law, EPA issued final regulations to comprehensively amend its TMDL program. Those final regulations included a provision stating that: "This regulation is not effective until 30 days after the date that Congress allows EPA to implement this regulation."

To try to resolve some of the controversy surrounding EPA's TMDL rule changes, the statement of managers accompanying the Fiscal Year 2001 Appropriations Act directed EPA to, (1) contract with the National Academy of Sciences to conduct a review of the quality of science used to develop and implement TMDLs, (2) conduct a comprehensive assessment of the costs of the TMDL program, and (3) prepare an analysis of the monitoring data needed for development and implementation of TMDLs. The National Academy of Sciences (NAS) recently released its report, with recommendations for significant changes to EPA's TMDL program. The Committee expects EPA to carefully review the NAS study before making any decisions about the future and direction of its TMDL program. Unfortunately, EPA has not yet provided Congress with the results of its cost assessment or monitoring data analysis. The Committee expects EPA to expeditiously complete its review of TMDL program costs and analysis of monitoring data needs and submit these reports to Congress.

The Committee remains concerned about Region IX and some of its unprecedented activities, especially in the water quality area. Specifically, Region IX has previously overruled State authority with regards to implementing the water quality program and issuance of water permits. Last year, the Committee expressed concern because this Region issued its own TMDL guidance that was inconsistent with EPA Headquarter's policies and indicated that the Region should revoke this guidance. The guidance was never officially implemented, but the Region tried to impose new requirements without any regulatory or scientific basis prior to the development of a TMDL. Imposing new permit requirements which change the obligations of permitees can only be done by notice and comment rulemaking. The Committee urges the Administrator, and a new Regional Administrator, to closely scrutinize all Region IX activities in all program areas, and to ensure that the State's authority to implement environmental programs is maintained.

EPA's Office of Environmental Information is strongly encouraged to continue development and implementation of a plan of action to facilitate federal and state efforts to develop and implement integrated information systems to improve environmental decision making, reduce the burden on regulated entities and improve the reliability of information available to the public. Such systems must provide the capability to implement standard environment management functions such as permitting, compliance and enforcement; and the Agency's development of an integrated information system for federal use must be compatible with the integrated State systems.

The Committee notes that EPA is continuing to review the radon in drinking water rule proposed in February, 2000. As proposed, the rule could have an unnecessary financial impact on large and small cities alike, as well as on local water agencies. The Committee also notes the General Accounting Office is studying the fi-

nancial impacts of the proposed EPA regulation. Prior to finalizing this rule, the Agency is expected to consider fully the GAO's findings. The Agency is also expected to provide Congress with alternative regulatory actions that would provide equivalent public health protection without such unnecessary financial impacts on communities and drinking water agencies.

The Committee is concerned that despite recent EPA actions to remedy its grants oversight deficiencies, the Agency is nevertheless leaving core issues unaddressed. A recent GAO report found, among other things, that EPA oversight activities under its new post-award management policy are not likely to identify improper nonprofit grantee spending on unallowable costs such as litigation, lobbying or political activities; EPA's policy is not designed to identify unallowable cost spending; EPA grant managers lack the training to identify whether grantees are spending funds on unallowable costs; and EPA grant managers rarely select nonprofit grantees for the in-depth review necessary to determine how they are spending grant funds. To remedy this matter, the Committee strongly encourages EPA's Office of Grants and Debarment to provide funds for an additional staff of auditors to supplement current grants management activities. These grants auditors would, among other activities, conduct on-sight reviews of at-risk and nonprofit EPA grantees, using techniques such as transaction testing, to the degree necessary to determine whether grantees are expending government grant funds on unallowable costs. EPA should continue its quarterly reporting on its grants management activities including the accomplishments of these additional grants auditing staff.

The Committee recognizes that voluntary efforts to use non-ozone depleting substances prior to the Clean Air Act mandate provides benefit to stratospheric ozone recovery. The Committee once again encourages EPA to develop a more comprehensive strategy to promote the benefits of ozone protection. In developing this strategy, EPA should consider increased public awareness, education, and outreach on the importance of ozone protection beyond those activities employed by EPA today and should design and support voluntary incentives that encourage the use of non-ozone depleting substances.

Given the uncertainty on whether monitored exceedances were due to natural causes, the Committee urges EPA to fully review the matter and work towards reversing its determination that the Wallula area of Washington State has not attained the PM–10 national ambient air quality standard.

OFFICE OF INSPECTOR GENERAL

Fiscal year 2002 recommendation[1]	$34,019,000
Fiscal year 2001 appropriation	34,094,000
Fiscal year 2002 budget request	34,019,000
Comparison with fiscal year 2001 appropriation	−75,000
Comparison with fiscal year 2002 budget request	0

[1] Total does not include transfer of $11,867,000 from the Hazardous Substance Superfund account.

The Office of Inspector General (OIG) provides audit, evaluation, and investigation products and advisory services to improve the performance and integrity of EPA programs and operations. This account funds personnel compensation and benefits, travel, and expenses (excluding rent, utilities, and security costs) for the Office of Inspector General. The appropriation for the OIG is funded from

two separate accounts: Office of Inspector General and Hazardous Substance Superfund.

For fiscal year 2002, the Committee recommends a total appropriation of $45,886,000 for the Office of Inspector General, an increase of $292,000 above last year's funding level and the same as the budget request. Of the amount provided, $11,867,000 shall be derived by transfer from the Hazardous Substance Superfund account.

BUILDINGS AND FACILITIES

Fiscal year 2002 recommendation	$25,318,000
Fiscal year 2001 appropriation	23,931,000
Fiscal year 2002 budget request	25,318,000
Comparison with fiscal year 2001 appropriation	+1,387,000
Comparison with fiscal year 2002 budget request	0

This appropriation provides for the design and construction of EPA-owned facilities as well as for the repair, extension, alteration, and improvement of facilities utilized by the Agency. The funds are to be used to correct unsafe conditions, protect health and safety of employees and Agency visitors, and prevent deterioration of structures and equipment.

The Committee is recommending $25,318,000, the budget request, for Buildings and Facilities. This funding level represents an increase of $1,387,000 above the fiscal year 2001 funding level. This recommendation provides for necessary maintenance and repair costs at Agency facilities and the ongoing renovation of EPA's new headquarters.

HAZARDOUS SUBSTANCE SUPERFUND

(INCLUDING TRANSFERS OF FUNDS)

Fiscal year 2002 recommendation	$1,270,000,000
Fiscal year 2001 appropriation	1,270,000,000
Fiscal year 2002 budget request	1,268,135,000
Comparison with fiscal year 2001 appropriation	0
Comparison with fiscal year 2002 budget request	+1,865,000

The Hazardous Substance Superfund (Superfund) program was established in 1980 by the Comprehensive Environmental Response, Compensation, and Liability Act to clean up emergency hazardous materials, spills, and dangerous, uncontrolled, and/or abandoned hazardous waste sites. The Superfund Amendments and Reauthorization Act (SARA) expanded the program substantially in 1986, authorizing approximately $8,500,000,000 in revenues over five years. In 1990, the Omnibus Budget Reconciliation Act extended the program's authorization through 1994 for $5,100,000,000 with taxing authority through calendar year 1995.

The Superfund program is operated by EPA subject to annual appropriations from a dedicated trust fund and from general revenues. Enforcement activities are used to identify and induce parties responsible for hazardous waste problems to undertake clean-up actions and pay for EPA oversight of those actions. In addition, responsible parties have been required to cover the cost of fund-financed removal and remedial actions undertaken at spills and waste sites by Federal and State agencies. Through transfers to the Office of Inspector General (OIG) and Science and Technology accounts, the OIG and the Office of Research and Development also

receive funding from this account. Due to the site-specific nature of the Agency's Superfund program, site-specific travel is not considered part of the overall travel ceiling set for the Superfund account.

For fiscal year 2002, $1,270,000,000 has been recommended by the Committee, the same as last year's funding level, and an increase of $1,865,000 above the budget request.

Bill language has been included which transfers $11,867,000 from this account to the Office of Inspector General and $36,891,000 to the Science and Technology account. The Committee expects EPA to prioritize resources to the actual cleanup of sites on the National Priority List and, to the greatest extent possible, limit resources directed to administration, oversight, support, studies, design, investigations, monitoring, assessment, and evaluation.

The Committee's recommendation includes the following program level:

$915,995,000 for Superfund response/cleanup actions.

The Committee proposal includes $94,997,400, the budget request, for continued Brownfields activities.

$133,078,000 for enforcement activities.

$133,344,000 for management and support.

$11,867,000 to the Office of Inspector General. Bill language is included which provides for this transfer.

$36,891,000 for research and development activities, to be transferred to Science and Technology as proposed in the budget request.

$28,150,000 for the Department of Justice.

$10,675,000 for all other necessary, reimbursable interagency activities.

Funds provided prior to fiscal year 2001 through this account for the ATSDR and NIEHS programs have been provided through separate accounts created in fiscal year 2001 for these two programs of the Department of Health and Human Services. Both programs have been funded at the 2002 budget request—increases above the 2001 funding levels—including $78,235,000 for ATSDR and $70,228,000 for NIEHS.

In providing over $900,000,000 for Superfund response actions, the Committee recognizes the importance of cleaning up Superfund hazardous waste sites. In this regard, EPA is encouraged to expedite cleanup efforts, especially those underway. In addition, the Committee encourages EPA to focus particular attention to remediate sites in the states with the largest number of Superfund sites.

The Committee supports the national pilot worker training program which recruits and trains young persons who live near hazardous waste sites or in the communities at risk of exposure to contaminated properties for work in the environmental field. The Committee directs EPA to continue funding this effort in cooperation and collaboration with NIEHS. The research activities of NIEHS can compliment the training and operational activities of EPA in carrying out this program. Moreover, an expanded focus to Brownfield communities—identified as the growing number of contaminated or potentially contaminated vacant or abandoned industrial sites—is critical in order to actively engage and train the under-served populations that are the focus of this effort. While the

number of National Priorities List sites is remaining fairly static, there is a growing need for continued assessment activities at Brownfield sites across the country.

The Committee commends the Agency's budget request for the hazardous substance research centers and the SITE program, both of which remain at the fiscal year 2001 level, and directs that no reductions be taken in these programs.

For fiscal years 1999 through 2001, the Congress included specific direction to EPA regarding the Agency's ordering of dredging or other invasive sediment remediation technologies pending the National Academy of Sciences' completion of a study intended to address dredging, capping, source control, natural recovery, and disposal of contaminated sediments, and comparing the risks of each technology. The Committee notes that this study has been completed and published, and, to the greatest extent practicable, expects the Agency to adopt as part of its own sediment remediation strategy those guidelines as presented in the Academy report.

The Committee remains concerned that any reversal of the longstanding policy of the EPA to defer to the NRC for cleanup of NRC licensed sites is not a good use of public or private funds. The interaction of the EPA with the NRC, NRC licensees, and others with regard to sites being remediated under NRC regulatory requirements—when not specifically requested by the NRC—has created stakeholder concerns regarding the authority and finally of NRC licensing decisions, the duration and costs of site cleanup, and the potential future liability of parties associated with affected sites. However, the Committee recognizes that there may be circumstances at specific NRC licensed sites where the Agency's expertise may be of critical use of the NRC. In the interest of ensuring that sites do not face dual regulations, the Committee has previously encouraged both agencies to enter into an MOU which clarifies the circumstances for EPA's involvement at NRC sites when requested by the NRC. To date, such an MOU has not been concluded. As this area is of interest to the Committee, to other agencies, and State governments, the Committee directs the Administrator undertake a review of EPA action on this matter with the intent of concluding an MOU with NRC as soon as practical. The EPA and NRC are directed to provide a report to the Committee on the status of the MOU no later than November 30, 2001, and every three months thereafter until an MOU is adopted.

LEAKING UNDERGROUND STORAGE TANK TRUST FUND

Fiscal year 2002 recommendation	$72,000,000
Fiscal year 2001 appropriation	72,096,000
Fiscal year 2002 budget request	71,937,000
Comparison with fiscal year 2001 appropriation	−96,000
Comparison with fiscal year 2002 budget request	+63,000

Subtitle I of the Solid Waste Disposal Act, as amended by the Superfund Amendments and Reauthorization Act, authorized the establishment of a response program for clean-up of releases from leaking underground storage tanks. Owners and operators of facilities with underground tanks must demonstrate financial responsibility and bear initial responsibility for clean-up. The Federal trust fund is funded through the imposition of a motor fuel tax of one-tenth of a cent per gallon, which generates approximately

$170,000,000 per year. Most states also have their own leaking underground storage tank programs, including a separate trust fund or other funding mechanism, in place.

The Leaking Underground Storage Tank Trust Fund provides additional clean-up resources and may also be used to enforce necessary corrective actions and to recover costs expended from the Fund for clean-up activities. The underground storage tank response program is designed to operate primarily through cooperative agreements with states. However, funds are also used for grants to non-state entities including Indian tribes under Section 8001 of the Resource Conservation and Recovery Act. Per the budget request again this year, the Office of Inspector General will receive no funding by transfer from the trust fund through this appropriation.

For fiscal year 2002, the Committee has provided $72,000,000, a decrease of $96,000 below last year's appropriated level and an increase of $63,000 above the budget request.

The Committee is aware of concerns expressed by several states that LUST funds not be used in a disproportionate manner for federal projects instead of state projects as anticipated by the authorizing statutes. The Committee concurs in this position of predominate use in the states and tribes and notes that its recommendation will allow for approximately 85% of the total appropriation to be used in the states and tribes.

OIL SPILL RESPONSE

Fiscal year 2002 recommendation	$15,000,000
Fiscal year 2001 appropriation	15,000,000
Fiscal year 2002 budget request	14,967,000
Comparison with fiscal year 2001 appropriation	0
Comparison with fiscal year 2002 budget request	+33,000

This appropriation, authorized by the Federal Water Pollution Control Act and amended by the Oil Pollution Act of 1990, provides funds to prepare for and prevent releases of oil and other petroleum products in navigable waterways. In addition, EPA is reimbursed for incident specific response costs through the Oil Spill Liability Trust Fund managed by the United States Coast Guard.

EPA is responsible for directing all clean-up and removal activities posing a threat to public health and the environment; conducting site inspections; providing for a means to achieve cleanup activities by private parties; reviewing containment plans at facilities; reviewing area contingency plans; and pursuing cost recovery of fund-financed clean-ups. Funds for this appropriation are provided through the Oil Spill Liability Trust Fund which is composed of fees and collections made through provisions of the Oil Pollution Act of 1990, the Comprehensive Oil Pollution Liability and Compensation Act, the Deepwater Port Act of 1974, the Outer Continental Shelf Lands Act Amendments of 1978, and the Federal Water Pollution Control Act. Pursuant to law, the Trust Fund is managed by the United States Coast Guard.

The Committee recommends $15,000,000 for fiscal year 2002, the same as that provided last fiscal year and an increase of $33,000 above the budget request.

STATE AND TRIBAL ASSISTANCE GRANTS

Fiscal year 2002 recommendation	$3,433,899,000
Fiscal year 2001 appropriation	3,641,341,386
Fiscal year 2002 budget request	3,288,725,000
Comparison with fiscal year 2001 appropriation	−207,442,386
Comparison with fiscal year 2002 budget request	+145,174,000

The State and Tribal Assistance Grant account provides grant funds for programs operated primarily by the states. The account includes Clean Water State Revolving Fund grants, which are intended to help eliminate municipal discharge of untreated or inadequately treated pollutants and thereby maintain or help restore this country's water to a swimmable and/or fishable quality; Drinking Water State Revolving Fund grants intended to improve municipal drinking water supply infrastructure and facilities; grants for other infrastructure projects; and miscellaneous categorical grant programs.

The largest portion of the STAG account is the State Revolving Funds (SRF). The Clean Water SRF funds water infrastructure grants, which for more than a decade have been made to municipal, inter-municipal, state, interstate agencies, and tribal governments to assist in financing the planning, design, and construction of wastewater facilities. This account also funds the Safe Drinking Water SRF as well as various grant programs to improve both air and water quality. Among these are non-point source grants under Section 319 of the Federal Water Pollution Control Act, Public Water System Supervision grants, Section 106 water quality grants, Clean Air Act Section 105 and 103 air grants, two new programs targeted to enforcement and environmental information, and other grants utilized by the states, tribes, and others to meet Federal environmental statutory and regulatory requirements.

For fiscal year 2002, the Committee recommends a total of $3,433,899,000, a decrease of $207,442,386 below the current fiscal year spending level, and $145,174,000 above the level proposed in the budget request.

The Committee's recommendation includes the following program level:

$1,200,000,000 for Clean Water State Revolving Funds;

$850,000,000 for Safe Drinking Water State Revolving Funds;

$1,078,899,000 for state and tribal program/categorical grants;

$75,000,000 for high priority U.S./Mexico border projects;

$30,000,000 for Alaska rural and Native Villages; and

$200,000,000 for a targeted grant program to address community wastewater, drinking water and ground water infrastructure concerns.

The Committee has provided an increase of $23,117,000 above the budget request for state and tribal program assistance/categorical grants. The Committee's recommendation includes an allocation different than that proposed in the budget submission for four specific programs, including:

(1) $216,540,100 for air resource assistance to State and local governments including an increase of $8,000,000 for section 103 and 105 Clean Air Act grants;

(2) $11,044,500 for air resource assistance grants to Tribal governments;

(3) $8,139,900 for radon grants;

(4) $192,476,700 for water pollution control agency resource supplementation under section 106 of FWPCA, an increase of $22,593,400 above the budget request;

(5) $225,000,000 for section 319 of FWPCA non-point source pollution grants, including programs formerly eligible under the section 314 Clean Lakes program, a decrease of $12,476,800 below the budget request;

(6) $14,967,000 for wetlands program development grants;

(7) $18,958,200 for water quality cooperative agreements under section 104(b)(3) of FWPCA;

(8) $7,000,000 for beach grants to develop and implement monitoring and information programs for coastal recreation waters pursuant to the Beach Environmental Assessment and Coastal Health Act of 2000;

(9) $93,100,200 for public water system supervision grants;

(10) $10,950,900 for underground injection control grants;

(11) $106,363,600 for RCRA financial assistance grants;

(12) $11,918,400 for underground storage tank grants;

(13) $13,085,500 for pesticides program implementation grants;

(14) $13,682,000 for lead risk reduction grants;

(15) $5,138,900 for toxic substances enforcement grants;

(16) $19,867,800 for pesticides enforcement grants;

(17) $25,000,000 for the new information exchange network program;

(18) $25,000,000 for the new State multimedia enforcement grant program;

(19) $5,986,300 for pollution prevention incentive grants;

(20) $2,209,300 for sector and multimedia enforcement and compliance grants; and

(21) $52,469,700 for Indians general assistance grants.

Section 106 pollution control grants have been provided $192,476,700, an increase of $22,593,400 above the budget request and $20,593,400 above last year's funding level. The Committee believes that an adequately funded section 106 program provides the necessary flexibility for the states to address a wide variety of water related problems, and is particularly important for the states to meet the long-term needs of the TMDL program. Section 319 non-point source pollution grants would receive $225,000,000, a slight decrease from the 2001 funding level and the budget request but an increase of $25,000,000 above the fiscal year 2000 appropriated level.

State and local air pollution control agencies have been facing a significant budget shortfall for many years. Accordingly, the Committee has increased grants to state and local air quality agencies under sections 103 and 105 of the Clean Air Act by $8,000,000 over the Administration's request for fiscal 2002.

In the Committee report accompanying the FY 2001 appropriations legislation, concern was expressed regarding certain spending practices of EPA pertaining to section 105 grants, and direction was given to the Agency to address and resolve the situation. It is the Committee's understanding that EPA has been working with state and local agencies, through their national associations—the State and Territorial Air Pollution Program Administrators and the Association of Local Air Pollution Control Officials (STAPPA/

ALAPCO)—to discuss the disposition of state and local air grants and to obtain concurrence of the states prior to withholding any funds. The Committee is pleased that EPA has responded to these concerns and expects the Agency to continue to work with STAPPA/ALAPCO this year and in the future to ensure that any decisions to withhold state and local grant funds for expenditure directly by EPA are made only after obtaining such concurrence.

Recent studies by EPA and others suggest that there has been a substantial deterioration in the nation's wastewater infrastructure, including aging wastewater treatment plants and leaking sewer collection systems. Substantial contributions of wet weather flows and other nonpoint sources of pollution have also been identified. In addition, the additional expenditures needed to achieve TMDL requirements and groundwater protection in future years are expected to be extensive. Because the federal government funds only a portion of wastewater infrastructure investments, the states have urged maximum flexibility in their allocation of federal resources, so as to direct investments at the point-source and nonpoint-source areas of greatest need. However, states also recognize that they must be held accountable to the goals of the Clean Water Act, the Safe Drinking Water Act, and other wastewater-related federal statutes. The Committee is aware that septic system repair and management projects and other nonpoint source pollution prevention and control measures, which can produce substantial benefits of water quality protection, are not eligible for SRF funding in most of the states. Further, many recipients of federal wastewater assistance have not instituted user fees to provide for long-term maintenance and repair of the infrastructure, and the results of that lack of maintenance are now evident.

To help address this situation, the Committee strongly urges EPA to, within 60 days of enactment of this Act, establish a working group of representatives from the State/EPA SRF Work Group, the Environmental Council Of the States, Environmental Finance Centers, and centralized and decentralized wastewater and nonpoint-source stakeholder groups to address the basic means by which EPA may accord flexibility to the states and yet also assure that federal investments achieve the greatest possible benefits. Specifically, the following questions should be among those addressed by this new working group: (1) are the SRF and other federal financial assistance programs achieving maximum water quality protection in terms of public health and environmental outcomes; (2) are alternatives other than wastewater treatment plants and collection systems eligible for federal assistance, and, if not, why not; (3) do the priority ranking systems which states use to prioritize eligible treatment works projects properly account for environmental outcomes, including indirect impacts from air deposition of treatment plant effluent or stormwater runoff from sewer construction-induced growth; (4) are recipients of federal assistance required to adopt appropriate financial planning methods, which would reduce the cost of capital and guarantee that infrastructure would be maintained; and (5) have sufficient performance measures and information systems been developed to assure the Congress that future federal assistance will be spent wisely by the states?

The Committee expects to be kept apprised of the development of this new working group and further expects that the group will

prepare and submit to the Congress by May 15, 2002 a report addressing the aforementioned questions and other related issues it deems relevant.

The Committee remains aware of problems with the close-down of the title II Clean Water Act construction grant program, particularly in the final resolution of audits and grantee requests for review or waiver. In the interest of minimizing the need for additional administrative appeals, judicial review, and further legislative remedies, EPA is once again directed to resolve, equitably and as expeditiously as its resources will allow, grantee requests for review or waiver, audit resolutions, and appeals in accordance with the following guidelines:

1. Once a grantee has made a prima facie case establishing its entitlement to grant funding, the burden of proof should be on EPA to deny such entitlement;
2. A prior affirmative determination favoring a grantee made by the Corps of Engineers, a State agency, or the EPA, should be accepted unless it is manifestly contrary to applicable law. Upon request of a grantee, any prior negative determination should be reviewed de novo;
3. All project costs should be reviewed, without regard to whether such costs were previously claimed, and shall be deemed eligible if based upon statute, regulation, EPA or state program guidance, prior decisions, or practice of EPA or a state agency or is otherwise established according to law, when the provision or practice relied upon by the grantee is reasonably clear or adequately established;
4. The Agency should not assess interest against, nor seek payment from, a grantee until final resolution of all administrative or judicial reviews or requests for waiver, and should assess interest only if justified under the principles set forth in *Baltimore* v. *Browner;* and
5. EPA should take all necessary actions to preserve the availability of funds previously appropriated under title II of the Clean Water Act, including section 206, in an amount adequate to compensate grantees for their grant funding entitlements upon final administrative or judicial resolution of grantee requests for review or grant entitlements as otherwise determined by a state agency, the EPA, or the Congress.

The Committee has not included language proposed in the budget submission which set aside $450,000,000 for a new combined sewer overflow (CSO) grant program. While the Committee recognizes the severe CSO problems faced by communities in several states, the proposal would have greatly reduced funds available to the Clean Water SRF program and would have provided grant funds to states which have priorities other than CSO problems. The Committee notes that funds available through the Clean Water SRF loan program can be used for CSO-related problems, and will further make available, through the targeted grant program, funding for specific communities with CSO concerns.

As was the case in past years, no reprogramming requests associated with States and Tribes applying for Partnership grants need to be submitted to the Committee for approval should such grants exceed the normal reprogramming limitations.

ADMINISTRATIVE PROVISION

The Committee has again this year included an administrative provision giving the Administrator specific authority to, in the absence of an acceptable tribal program, award cooperative agreements to federally recognized Indian Tribes or Intertribal consortia so as to properly carry out EPA's environmental programs.

In order to continue providing sufficient and necessary resources for EPA's pesticide re-registration program, the Committee has included bill language which continues maintenance fee collections totaling $17,000,000 until September 30, 2002. The program is otherwise set to expire on September 30, 2001.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

Fiscal year 2002 recommendation	$5,267,000
Fiscal year 2001 appropriation	5,201,000
Fiscal year 2002 budget request	5,267,000
Comparison with fiscal year 2001 appropriation	+66,000
Comparison with fiscal year 2002 request	0

The Office of Science and Technology Policy (OSTP) was created by the National Science and Technology Policy, Organization, and Priorities Act of 1976. OSTP advises the President and other agencies within the Executive Office on science and technology policies and coordinates research and development programs for the Federal Government.

The Committee recommends an appropriation of $5,267,000 for fiscal year 2002, an increase of $66,000 above the fiscal year 2001 appropriation and the same amount included in the budget request.

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

Fiscal year 2002 recommendation	$2,974,000
Fiscal year 2001 appropriation	2,900,000
Fiscal year 2002 budget request	2,974,000
Comparison with fiscal year 2001 appropriation	+74,000
Comparison with fiscal year 2002 budget request	0

The Council on Environmental Quality (CEQ) was established by Congress under the National Environmental Policy Act of 1969 (NEPA). The Office of Environmental Quality (OEQ), which provides professional and administrative staff for the Council, was established in the Environmental Quality Improvement Act of 1970. The Council on Environmental Policy has statutory responsibility under NEPA for environmental oversight of all Federal agencies and is to lead interagency decision-making of all environmental matters.

For fiscal year 2002, the Committee has recommended the budget request of $2,974,000 for the CEQ and OEQ, an increase of $74,000 above last year's spending level. The Committee's proposed funding for CEQ will allow full cost of living increases for the current staff of 24 FTEs as well as other necessary expense adjustments. The Committee directs that CEQ's total staffing level not exceed 24 FTEs at any time during the fiscal year.

As in previous years, bill language is included which stipulates that, notwithstanding the National Environmental Policy Act, the CEQ can operate with one council member and that member shall be considered the chairman for purposes of conducting the business of the CEQ and OEQ.

For fiscal year 1999, the Congress increased funding for the Council on Environmental Quality and directed that not less than $100,000 of the appropriated amount be used by CEQ for work on the NEPA Reinvention project. The Congress specifically noted that these funds were to support efforts to establish a memorandum of understanding between the Federal Energy Regulatory Commission and other appropriate Federal Departments and agencies to expedite review of natural gas pipeline projects. In the report accompanying the fiscal year 2000 appropriation, the Committee restated and reaffirmed its direction that CEQ take action on an MOU to improve the NEPA process for such new natural gas pipeline projects. CEQ unfortunately never called a meeting of such an interagency task force to act on this matter prior to the end of the previous Administration.

The Report of the National Energy Policy Development Group issued in May 2001, recommends that "the President direct agencies to continue their interagency efforts to . . . expedite pipeline permitting . . ." The President's Executive Order of May 18, 2001, regarding expediting energy-related projects, calls for CEQ to set up an interagency task force "to monitor and assist the agencies in their efforts to expedite their review of permits or similar actions, as necessary, to accelerate the completion of energy-related projects . . . and improve transmission of energy." As the demand for natural gas is increasing, causing the need to build additional infrastructure, this Committee continues to expect that CEQ will quickly convene an interagency task force to, among other things, prepare a memorandum of understanding to coordinate and expedite the NEPA review and permitting process for natural gas pipelines.

FEDERAL DEPOSIT INSURANCE CORPORATION

OFFICE OF INSPECTOR GENERAL

Fiscal year 2002 recommendation	$33,660,000
Fiscal year 2001 appropriation	33,660,000
Fiscal year 2002 budget request	33,660,000
Comparison with fiscal year 2001 appropriation	0
Comparison with fiscal year 2002 budget request	0

Funding for the Office of the Inspector General at the Federal Deposit Insurance Corporation is provided pursuant to 31 U.S.C. 1105(a)(25), which requires a separate appropriation account for appropriations for each Office of Inspector General of an establishment defined under section 11(2) of the Inspector General Act of 1978.

The Committee recommendation, the same as the budget request, provides for the transfer of $33,660,000 from the Bank Insurance Fund, the Savings Association Insurance Fund, and the FSLIC Resolution Fund to finance the Office of Inspector General for fiscal year 2002.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Fiscal year 2002 recommendation	$2,257,352,000
Fiscal year 2001 appropriation	2,439,800,000
Fiscal year 2002 budget request	2,212,945,000
Comparison with fiscal year 2001 appropriation	−182,448,000
Comparison with fiscal year 2002 budget request	+44,407,000
Fiscal year 2002 contingent emergency appropriation	1,300,000,000

The Federal Emergency Management Agency (FEMA) was created by reorganization plan number 3 of 1978. The Agency carries out a wide range of program responsibilities for emergency planning and preparedness, disaster response and recovery, and hazard mitigation.

For fiscal year 2002, the Committee recommends $2,257,352,000 which represents a decrease of $182,448,000 from the fiscal year 2001 appropriation and an increase of +44,407,000 from the 2002 budget request.

Of the amounts approved in the following appropriations accounts, the Agency must limit transfers of funds between programs and activities to not more than $500,000 without prior approval of the Committee. Further, no changes may be made to any account or program element if it is construed to be a change in policy. Any program or activity mentioned in this report shall be construed as the position of the Committee and should not be subject to any reductions or reprogrammings without prior approval of the Committee.

DISASTER RELIEF

(INCLUDING TRANSFER OF FUNDS)

Fiscal year 2002 recommendation	$1,369,399,000
Fiscal year 2001 appropriation	1,600,000,000
Fiscal year 2002 budget request	1,369,399,000
Comparison with fiscal year 2001 appropriation	−230,601,000
Comparison with fiscal year 2002 budget request	0
Fiscal year 2002 contingent emergency appropriation	1,300,000,000

The Federal Emergency Management Agency has responsibility for administering disaster assistance programs and coordinating the Federal response in Presidentially declared disasters. Major activities under the disaster assistance program are human services which provides aid to families and individuals; infrastructure which supports the efforts of State and local governments to take emergency protective measures, clear debris and repair infrastructure damage; hazard mitigation which sponsors projects to diminish effects of future disasters; and disaster management, such as disaster field office staff and automated data processing support.

For fiscal year 2002, the Committee recommends $1,369,399,000 in regular appropriations for disaster relief, the same as the budget request and a decrease of $230,601,000 compared to the fiscal year 2001 level. The Committee recognizes the amount of damage caused by Tropical Storm Allison that took lives and destroyed vital resources. As FEMA is still assessing the extent of the damage, the Committee also recommends a contingent emergency appropriation of $1,300,000,000 for disaster relief.

The budget request included reference to two "cost savings" proposals associated with this account. First, the budget proposed a 50/50 cost share for section 404 post-disaster mitigation grants in-

stead of the 75% federal/25% local cost share structure currently being used. The Committee does not agree with the proposed change. The FEMA and federal government's cost associated with the section 404 post-disaster mitigation grant program is set by statute at 15% of the cost of a Presidentially declared disaster. Therefore, the overall Federal contribution does not change based upon the cost-share formula and no savings to the Federal budget are achieved through such a change. In addition, it is a widely held belief, substantiated by facts, that increasing the state and local share of costs for mitigation projects will result in fewer mitigation projects being accomplished. The net result would be an increase in the cost of disasters in the long run since mitigation measures will not be accomplished.

The second cost savings, a requirement for state, local, and private non-profit entities to carry building insurance, is also of dubious merit. The Committee remains concerned that requiring insurance as a condition of receiving public assistance exceeds the direction provided to FEMA under the Stafford Act, discourages attempts to mitigate damage before it occurs, assumes an unproven premise regarding the insurance market's treatment of disasters and the availability, affordability and adequacy of coverage for such insurance. The Committee strongly believes that imposing additional disaster cost burdens on states, municipalities, and private non-profit hospitals and universities is ill-conceived.

The Committee reminds FEMA that denying disaster assistance to underinsured or uninsured entities that suffer catastrophic losses as a result of a disaster could result in significant consequential losses of public services, medical care, and education.

Furthermore, the Committee remains concerned that FEMA has not conducted a thorough cost-benefit analysis or conducted extensive outreach with potentially affected entities, particularly those entities that are susceptible to catastrophic earthquakes. The Committee directs FEMA not to initiate a rulemaking process until a comprehensive analysis has been conducted which concludes that insurance is available and affordable for all types of perils.

The Committee recommendation includes a provision for the transfer of $2,900,000 to "Emergency Management Planning and Assistance" for the consolidated emergency performance grant program and a provision allowing the use of up to $15,000,000 for flood map modernization activities following a disaster declaration, both of which were carried in the fiscal year 2001 bill. A new provision included in the bill this year allows for the use of $21,577,000 from the Disaster Relief Fund for activities of the FEMA Inspector General.

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

STATE SHARE LOAN

Fiscal year 2002 recommendation	$405,000
Fiscal year 2001 appropriation	1,678,000
Fiscal year 2002 budget request	405,000
Comparison with fiscal year 2001 appropriation	−1,273,000
Comparison with fiscal year 2002 budget request	0

LIMITATION ON DIRECT LOANS

ADMINISTRATIVE EXPENSES

Fiscal year 2002 recommendation	($25,000,000)	$543,000
Fiscal year 2001 appropriation	(25,000,000)	427,000
Fiscal year 2002 budget request	(25,000,000)	543,000
Comparison with fiscal year 2001 appropriation	(0)	+116,000
Comparison with fiscal year 2002 request	(0)	0

Beginning in 1992, loans made to States under the cost sharing provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act were funded in accordance with the Federal Credit Reform Act of 1990. The Disaster Assistance Direct Loan Program Account, which was established as a result of the Federal Credit Reform Act, records the subsidy costs associated with the direct loans obligated beginning in 1992 to the present, as well as administrative expenses of this program.

For fiscal year 2002, the Committee recommends $405,000 for the cost of State Share Loans, a decrease of $1,273,000 from the fiscal year 2001 appropriation and the same amount as the President's request. In addition, the Committee has provided $25,000,000 for the limitation on direct loans pursuant to Section 319 of the Stafford Act, as well $543,000 for administrative expenses of the program.

SALARIES AND EXPENSES

Fiscal year 2002 recommendation	$227,900,000
Fiscal year 2001 appropriation	215,000,000
Fiscal year 2002 budget request	233,801,000
Comparison with fiscal year 2001 appropriation	+12,900,000
Comparison with fiscal year 2002 budget request	−5,901,000

This activity encompasses the salaries and expenses required to provide executive direction and administrative staff support for all agency programs in both the headquarters and field offices. The account funds both program support and executive direction activities.

The bill includes $227,900,000 for salaries and expenses, a decrease of $5,901,000 from the budget request, including a reduction of $1,500,000 from Preparedness, Training, and Exercises, and an increase of $12,900,000 when compared to the fiscal year 2001 appropriation.

The amount provided is sufficient to cover all pay raise requirements and consequence management associated with the 2002 Olympics and Paralympics. The fiscal year 2001 appropriation included funding for one-time costs associated with relocation of the FEMA headquarters, and while that relocation has been somewhat delayed causing some costs to shift into fiscal year 2002, it does not appear that FEMA has properly accounted for the reduction in those one-time costs as part of the current budget request. FEMA is directed to provide a full accounting of the costs associated with the relocation of its headquarters as part of the fiscal year 2002 initial operating plan.

OFFICE OF INSPECTOR GENERAL

Fiscal year 2002 recommendation	$10,303,000
Fiscal year 2001 appropriation	10,000,000
Fiscal year 2002 budget request	10,303,000
Comparison with fiscal year 2001 appropriation	+303,000
Comparison with fiscal year 2002 budget request	0

The Office of Inspector General (OIG) was established administratively within FEMA at the time of the Agency's creation in 1979. Through a program of audits, investigations and inspections, the OIG seeks to prevent and detect fraud and abuse and promote economy, efficiency and effectiveness in the Agency's programs and operations. Although not originally established by law, FEMA's OIG was formed and designed to operate in accordance with the intent and purpose of the Inspector General Act of 1978. The Inspector General Act Amendments of 1988 created a statutory Inspector General within FEMA. The FEMA Inspector General has the added responsibility to act in that capacity for the Chemical Safety and Hazard Investigation Board.

For fiscal year 2002, the Committee recommends an appropriation of $10,303,000 for the Office of Inspector General, an increase of $303,000 above the fiscal year 2001 appropriation and the same as the President's budget request.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

Fiscal year 2002 recommendation	$404,623,000
Fiscal year 2001 appropriation	369,652,000
Fiscal year 2002 budget request	354,623,000
Comparison with fiscal year 2001 appropriation	+34,971,000
Comparison with fiscal year 2002 budget request	+50,000,000

This appropriation provides program resources for the majority of FEMA's "core" activities, including, response and recovery; preparedness, training and exercises; mitigation programs, fire prevention and training; information technology services; operations support; and executive direction. Costs for the floodplain management component are borne by policyholders and reimbursed from the National Flood Insurance Fund. Funding is also included in this account to carry out the Federal Fire Prevention and Control Act of 1974, as amended by Public Law 106–398.

The Committee recommends a fiscal year 2002 appropriation of $404,623,000, an increase of $34,971,000 to the fiscal year 2001 level and an increase of $50,000,000 to the fiscal year 2002 budget request. In addition, the Committee recommends a transfer of $2,900,000 from the Disaster Relief account for the consolidated emergency performance grants program.

The Committee's recommendation includes the budget request of $100,000,000 for grants under the Firefighters Assistance Act.

The budget request for fiscal year 2002 recommends termination of the Project Impact program which was funded at $25,000,000 in fiscal year 2001. The Committee recommendation does not include funding for Project Impact, but the Committee remains committed to the concept that many mitigation projects can be accomplished prior to the onset of a disaster and result in significant cost avoidance. FEMA is directed to develop and fund such a pre-disaster mitigation program as part of the fiscal year 2003 budget submission.

Whenever an earthquake or hurricane disaster strikes a part of the United States there is generally wide-spread knowledge of the disaster. And even in the case of major floods most of the country is aware of it through extensive press coverage. What is not so well-known is the fact that in the past 10 years the cost of flooding, much of it the result of isolated major rain storms, has exceeded the cost of any other category of natural disaster. Much of this cost could be avoided if individuals, businesses, and local government knew the risks they faced. The first step in the process of educating everyone about the risk is generating reliable and accurate information in the form of up-to-date flood maps. While the atrocious state of the FEMA flood map data base is well-known, there has been little success in dealing with the problem over the last three years. Proposals to create a funding mechanism to finance the process of updating flood maps have been met with criticism from affected parties or lack of action by the appropriate Congressional committees of jurisdiction. The Congress can no longer shirk its responsibility to address the problem. Therefore, the Committee recommendation includes an increase of $50,000,000, as a downpayment toward an estimated $700,000,000 requirement, to begin the process of updating flood maps. FEMA is directed to work with other federal departments and agencies, academia, and private industry to develop innovative technologies to ensure that all flood maps will be updated in the most cost effective manner. Due to their extensive experience in similar areas, FEMA is also encouraged to work with multi-jurisdictional regional planning and development organizations that serve general units of local government. The amount provided is in addition to funding made available through the Disaster Relief account. FEMA is directed to make $2,000,000 available to the New York Department of Environmental Conservation for the New York Flood Plain Mapping Program, and use $2,000,000 to continue the Louisiana pilot project to provide two-foot contour interval mapping of ground elevations.

The Committee is aware of the extraordinary success the military services have achieved in recent years by utilizing pulse technology in vehicles and equipment. This technology has contributed to significant cost savings in battery management programs and has enhanced the ability of the military services to increase the effectiveness of their environmental responsibilities through the extension of the service life of its batteries. The Committee directs the Federal Emergency Management Agency to closely examine the opportunities for cost savings and associated environmental benefits of using pulse technology for its battery management program.

RADIOLOGICAL EMERGENCY PREPAREDNESS FUND

The fiscal year 1999 bill included language establishing the Radiological Emergency Preparedness Fund. The Committee recommendation includes continuation of this Fund in fiscal year 2002.

EMERGENCY FOOD AND SHELTER PROGRAM

Fiscal year 2002 recommendation	$140,000,000
Fiscal year 2001 appropriation	140,000,000
Fiscal year 2002 budget request	139,692,000
Comparison with fiscal year 2001 appropriation	0
Comparison with fiscal year 2002 budget request	+308,000

The Emergency Food and Shelter Program within the Federal Emergency Management Agency originated in the 1983 Emergency Jobs legislation. Minor modifications were incorporated in the Stewart B. McKinney Homeless Assistance Act. The program is designed to help address the problems of the hungry and homeless. Appropriated funds are awarded to a National Board to carry out programs for sheltering and feeding the needy. This program is nationwide in scope and provides such assistance through local private voluntary organizations and units of government selected by local boards in areas designated by the National Board as being in highest need.

The Committee has recommended $140,000,000 for the Emergency Food and Shelter Program, an increase of $308,000 when compared to the budget request and the same as the fiscal year 2001 appropriation.

Once again this year, bill language is included which limits administrative costs to 3.5% for fiscal year 2002.

NATIONAL FLOOD INSURANCE FUND

(INCLUDING TRANSFER OF FUNDS)

The Flood Disaster Protection Act of 1973 requires the purchase of insurance in communities where it is available as a condition for receiving various forms of Federal financial assistance for acquisition and construction of buildings or projects within special flood hazard areas identified by the Federal Emergency Management Agency. All existing buildings and their contents in communities where flood insurance is available, through either the emergency or regular program, are eligible for a first layer of coverage of subsidized premium rates.

Full risk actuarial rates are charged for new construction or substantial improvements commenced in identified special flood hazard areas after December 31, 1974, or after the effective date of the flood insurance rate map issued to the community, whichever is later. For communities in the regular program, a second layer of flood insurance coverage is available at actuarial rates on all properties, and actuarial rates for both layers apply to all new construction or substantial improvements located in special flood hazard areas. The program operations are financed with premium income augmented by Treasury borrowings.

The Committee has included bill language proposed in the budget request for salaries and expenses to administer the fund, not to exceed $28,798,000, and for mitigation activities, not to exceed $76,381,000. Also included is a limitation of $20,000,000 for expenses under Section 1366 of the National Flood Insurance Act of 1968, as amended, which shall be available for transfer to the National Flood Mitigation Fund.

The Committee is aware that authorization to write new policies during all of fiscal year 2002 does not currently exist. The Com-

mittee has included bill language which extends this authority through December 31 of 2002 to ensure the seamless operation of the program.

NATIONAL FLOOD MITIGATION FUND

Fiscal year 2002 recommendation	$20,000,000
Fiscal year 2001 appropriation	20,000,000
Fiscal year 2002 budget request	20,000,000
Comparison with fiscal year 2001 appropriations	0
Comparison with fiscal year 2002 budget request	0

The budget request includes a program to address the issue of repetitive loss properties within the National Flood Insurance Program. This program targets properties with a high incidence of repetitive losses, and offer removal or elevation of structures with the goal of significantly reducing the future costs of the National Flood Insurance Fund. The Committee recommends $20,000,000 for this effort in fiscal year 2002, to be derived by transfer from the National Flood Insurance Program. Of the amount provided, $2,500,000 is to be used for the acquisition of flood-prone properties in the City of Austin, Minnesota.

GENERAL SERVICES ADMINISTRATION

FEDERAL CONSUMER INFORMATION CENTER FUND

Fiscal year 2002 recommendation	$7,276,000
Fiscal year 2001 appropriation	7,122,000
Fiscal year 2002 budget request	7,276,000
Comparison with fiscal year 2001 appropriation	+154,000
Comparison with fiscal year 2002 request	0

The Consumer Information Center (CIC) was established within the General Services Administration (GSA) by Executive Order on October 26, 1970, to help Federal departments and agencies promote and distribute consumer information collected as a byproduct of the Government's program activities.

The Federal Information Center (FIC) program was established within the General Services Administration in 1966, and was formalized by Public Law 95–491 in 1980. The program's purpose is to provide the public with direct information about all aspects of Federal programs, regulations, and services. To accomplish this mission, the FIC uses contractual services to respond to public inquiries via a nationwide toll-free telephone call center.

On January 28, 2000, the Consumer Information Center assumed responsibility for the operations of the FIC program with the resulting organization being officially named the Federal Consumer Information Center (FCIC). The Federal Consumer Information Center combines the nationwide toll-free telephone assistance program and the database of the FIC with the CIC website and publications distribution programs. The FCIC is a one-stop source for citizens to get information about government programs and everyday consumer issues.

In fiscal year 2002, the FCIC program expects to respond to 2,700,000 phone calls, distribute approximately 5,900,000 publications, and receive 18,000,000 web accesses. This represents delivery of a total of 26,600,000 information products to the public.

Public Law 98–63, enacted July 30, 1983, established a revolving fund for the FCIC. Under this fund, FCIC activities are financed

from the following: annual appropriations from the general revenues of the Treasury, reimbursements from agencies for distribution of publications, user fees collected from the public, and any other income incident to FCIC activities. All are available as authorized in appropriation acts without regard to fiscal year limitations.

The Committee recommends $7,276,000 for the Federal Consumer Information Center. This reflects an increase of $154,000 from the fiscal year 2001 appropriation and is the same amount included in the budget request. The Committee applauds the FCIC for developing quality information services that prove to be user-friendly and creative. The Committee expects the FCIC to continue to provide outstanding services to citizens through its national toll-free call center, award-winning website, printed materials, and by exploring new ways to better inform the public.

Again this year, the bill includes a limitation of $12,000,000 on the availability of the revolving fund. Any revenues accruing to this fund during fiscal year 2002 in excess of this amount shall remain in the fund and are not available for expenditure except as authorized in appropriations Acts.

The appropriation will be augmented by reimbursements from Federal agencies for distribution of consumer publications, user fees from the public, and other income. FCIC's anticipated obligations for fiscal year 2002 will total approximately $10,569,000.

Language has been included in the bill which provides that the Committee approve changes to the function or administrative location of the Federal Consumer Information Center to ensure that the FCIC continues to provide outstanding services to the public.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Fiscal year 2002 recommendation	$14,951,400,000
Fiscal year 2001 appropriation	$14,285,300,000
Fiscal year 2002 budget request	14,511,400,000
Comparison with fiscal year 2001 appropriation	+666,100,000
Comparison with fiscal year 2002 request	+440,000,000

The National Aeronautics and Space Administration was created by the National Space Act of 1958. NASA conducts space and aeronautics research, development, and flight activity designed to ensure and maintain U.S. preeminence in space and aeronautical endeavors.

The Committee has recommended a total program level of $14,951,400,000 in fiscal year 2002, which is a increase of $440,000,000 from the budget request and an increase of $666,100,000 compared to the fiscal year 2001 enacted appropriation.

The Committee notes the oversight of routine infrastructure revitalization for the Marshall Space Flight Center in the budget request. Therefore, to correct this oversight, the Committee directs NASA to accomplish the Fire Alarm System and Sprinkler Repairs in building 4711 at the Marshall Space Flight Center, and the Utility Control System Upgrade Phase 2 at the Marshall Space Flight Center.

HUMAN SPACE FLIGHT

(INCLUDING TRANSFER OF FUNDS)

Fiscal year 2002 recommendation	$7,322,400,000
Fiscal year 2001 appropriation [1]	$7,184,652,000
Fiscal year 2002 budget request	7,296,000,000
Comparison with fiscal year 2001 appropriation	+137,748,000
Comparison with fiscal year 2002 request	+26,400,000

[1] Includes $1,721,752,000 for expenses and activities which were appropriated in the Mission Support account in fiscal year 2001.

This appropriation provides for human space flight activities, including development of the international space station and operation of the space shuttle. This account also includes support of planned cooperative activities with Russia, upgrades to the performance and safety of the space shuttle, and required construction projects in direct support of the space station and space shuttle programs. Starting with the fiscal year 2002 appropriation, this account also includes funding for activities previously carried in the Mission Support appropriations account.

The Committee recommends a total of $7,322,400,000 for the human space flight account in fiscal year 2002. The recommendation includes a decrease of $283,600,000 for station research which has been moved to the Science, Aeronautics and Technology account per the request of the administration, an increase of $275,000,000 for development of a crew return vehicle, and an increase of $35,000,000 for rehabilitation of the VAB at the Kennedy Space Center.

SPACE SHUTTLE PROGRAM

The Committee recommends an increase of $35,000,000 to the budget request for the Space Shuttle. The increase is to be combined with $30,000,000 funding from the cancellation of the Electric Auxiliary Power Unit (EAPU) upgrade program and shall be used for refurbishment of the Vehicle Assembly Building at the Kennedy Space Center. The remaining $20,000,000 in the EAPU program is to be used to continue development of critical technologies needed for an EAPU through a focused technology risk reduction program. The Committee is concerned that NASA has not been able to adequately address urgent infrastructure needs and directs NASA to identify the most urgent upgrades necessary to provide for the continued safe operation of the shuttle program.

The Committee included language in the fiscal year 2000 conference report asking for a comprehensive plan for shuttle safety upgrades, taking into consideration the time that the shuttle would continue as the only vehicle for human space flight. NASA responded in March of 2000 with such a plan, which had a total projected cost of $1,900,000,000 and was to be accomplished over a five year period. The Committee responded favorably to the plan and endorsed the budget request for fiscal year 2001 which represented the first significant funding increment. Now, little more than one year later, the Committee has been informed that one of the major upgrades included in the plan, the Electric Auxiliary Power Unit (EAPU), has been deleted from the plan because of development and cost problems. The Committee was of the understanding that NASA would be able to execute the upgrade plan that was provided to the Congress within the cost constraints of the budget. The can-

cellation of the EAPU raises the concern that other upgrades in the plan may fall into the same category and calls into question the validity of the plan provided to the Congress. The Committee looks forward to receiving assurances from NASA that its upgrade plan is based upon technology which is or will be available in time to accomplish the upgrades within the cost constraints of the budget.

INTERNATIONAL SPACE STATION

The Committee recommendation includes $1,831,300,000 for the International Space Station. The amount provided is the budget request, reduced as proposed by the Office of Management and Budget and NASA by shifting funds for the research component of the station program from the Human Space Flight account to the Science, Aeronautics and Technology account. In addition, the Committee recommendation includes an increase of $275,000,000 for development of the Crew Return Vehicle.

The Committee shares the concerns expressed in the budget request with regard to the cost increases in the International Space Station program. The cost increases which have come to light in the past few months are disturbing and suggest an underlying problem with the management and execution of the program. Many questions have been answered as NASA and the administration have investigated the problems associated with this program, but many more answers are not yet known. The Committee is trying to find the answers to many basic questions, such as the exact size of the cost increase, what caused the increases, what lapses in oversight occurred and what actions are necessary to ensure they will not recur, and to what extent previously noted concerns were not addressed. In an attempt to fully understand the nature of the problem, the Committee has initiated an investigation which will serve to answer many of these questions and provide the Committee and the Congress with the information it needs to make the best possible decisions regarding the future of the program. The Committee has taken this approach because changes to the ISS program proposed as part of the budget request, if endorsed without question, would lead the program down a path which would significantly alter the goals and accomplishments of the ISS.

The Committee believes that the key problem with the proposed budget is that it deletes the capability of the ISS to support a permanent crew of six or seven persons and causes a scaled-down research program. This result comes from the recommendation in the budget request to delete development of the seven-person crew return vehicle which would replace the three-person Soyuz capsule, and the deletion of the habitation module. In addition, the budget proposal included a significant reduction of funding for the research segment of the ISS program which would further undermine the basic reason for building the station, the achievement of world-class science. The Committee is not able or prepared to reverse all the actions proposed in the budget request, nor is the Committee prepared to endorse the actions proposed in the budget at this time. Instead, the Committee has included in its recommendations a series of actions which will elicit more complete information and retain options which will allow the Congress to make an informed decision as part of the fiscal year 2003 authorization and appropriations process.

Crew Return Vehicle.—The Committee recommendation includes $275,000,000 for the development of a crew return vehicle, with capacity for no less than 6 persons, for use with the international space station. In providing these funds, the Committee is concerned about the possibility that any future federal funds needed to complete the development not come at the expense of other elements of the International Space Station and encourages the Administration to work with the other partners in the space station program to minimize the cost to NASA. Specifically, the Committee does not anticipate providing additional funds for this purpose unless it is made clear that the Administration and the international partners are committed to the International Space Station as a research facility. For this reason, the language included in the bill would rescind the $275,000,000 unless the Administration requests at least $200,000,000 for the crew return vehicle in the fiscal year 2003 NASA budget request. In addition, the recommendation fences the availability of the $275,000,000 provided until August 1, 2002. By March 1, 2002, the President shall submit to the Committees on Appropriations of the House and Senate a comprehensive plan that meets the following terms and conditions:

First, a clear and unambiguous statement on the role of research in the International Space Station program.

Second, a detailed outline of the efforts being pursued to provide habitation facilities for a full-time crew of no less than six persons, including a clear accounting of the full costs, both direct and indirect, to the U.S. taxpayer of any barter arrangements with international partners.

Third, the anticipated costs of the crew return vehicle program by fiscal year, including the expected U.S. and international partners' shares of this cost.

Fourth, the relative priority of the crew return vehicle development program in the context of the International Space Station.

The Committee does not intend to provide any additional funds or approve the release of any of the $275,000,000 provided in this bill, until all conditions are fully satisfied.

Research.—The Congress has always supported the International Space Station because of the promised world-class research the station was expected to generate. The Committee is concerned that the proposed answer for the cost increases in the station would place that research goal in jeopardy by undermining the development of a cadre of ground-based research efforts leading to eventual flight and by scaling back the facilities on-board the station. The Committee recommendation includes moving the research program out of the Human Space Flight account in order to insulate it more effectively from the ramifications of future cost growth in the hardware segments of the station. The amount of funding moved is $283,600,000 which is the amount remaining after the reductions mandated by the most recent cost increase in the station program. The Committee is concerned that this amount may not be adequate and as a short-term measure has added $35,000,000 which is to be used to augment the Fluids and Combustion Facility Integrated Rack. The Committee directs NASA to withhold any final determination of the research program which will be achieved on the ISS until the Congress has made a final determination on the permanent crew size of the station. Until that time, NASA is

directed to develop an interim research plan which protects the option to return to the research program envisioned as part of the ISS prior to the latest cost increases.

SCIENCE, AERONAUTICS AND TECHNOLOGY

(INCLUDING TRANSFER OF FUNDS)

Fiscal year 2002 recommendation	$7,605,300,000
Fiscal year 2001 appropriation [1]	7,077,648,000
Fiscal year 2002 budget request	7,191,700,000
Comparison with fiscal year 2001 appropriation	+527,652,000
Comparison with fiscal year 2002 request	+413,600,000

[1] Includes $866,948,000 for expenses and activities which were appropriated to the Mission Support appropriations account in fiscal year 2001.

This appropriation provides for the research and development activities of the National Aeronautics and Space Administration. These activities include: space science, life and microgravity science, earth sciences, aero-space technology, advanced concepts and technology, space operations, and academic programs. Funds are also included for the construction, maintenance, and operation of programmatic facilities. Starting in fiscal year 2002, this account also includes funding for activities previously carried in the Mission Support appropriations account.

The Committee recommends $7,605,300,000 for Science, Aeronautics and Technology in fiscal year 2002. The amount recommended is an increase of $413,600,000 to the budget request.

The Committee remains deeply troubled by NASA's unwillingness to significantly reverse the downward spiral of investment in aeronautics research and technology. Earlier this year, senior NASA officials admitted that the program's aeronautics efforts have declined from approximately $1,000,000,000 annually in 1994 to just under $400,000,000 today. This decline has occurred as foreign competition has reached virtual parity with the U.S. aeronautics industry in annual commercial sales and the Europeans in particular have established a formal "2020 Vision" with a goal to dominate global aeronautics and aviation services. In addition, by merging the budgets for aeronautics and space technology into a single "aerospace technology" program element several years ago, NASA has made it virtually impossible to account for the current investment in aeronautics. While the Agency has announced that they are preparing an "aeronautics blueprint strategy" for release later this year, the Committee is concerned that there is little meaningful formal input from industry or affiliated aeronautics organizations to shape the content of that document. For this reason, the Committee directs NASA to reestablish a consolidated aeronautics line in the fiscal year 2002 operating plan that comprehensively covers all research base, focused and advanced technology programs, and related test facilities and civil service costs. In addition, the Agency shall notify the Committee within 30 days on how it intends to obtain formal aeronautics industry and related organization's input into the proposed aeronautics blueprint.

The Committee understands that NASA is planning to centralize management of all Centers for Commercial Development of Space within a single office at NASA headquarters. The Committee supports this change, but feels it is essential that the funding for these Centers not be diminished or eliminated through this consolidation

process. Therefore, the Committee directs that not less than $4,000,000 be transferred from Code R to Code U for the administration of the four infrastructure centers associated with this management change.

As mentioned in the conference report accompanying in the fiscal year 2001 appropriations bill, Public Law 105–261 transferred responsibility for satellite technology export licensing from the Department of Commerce to the Department of State to be regulated under the International Traffic in Arms Regulations (ITAR). While scientific satellites are still covered by the fundamental research exclusion provided by National Security Directive 189, the unfortunate and unintended consequence of the jurisdictional move has been that university-based fundamental science and engineering research, widely disseminated and unclassified, has become subject to overly restrictive and inconsistent ITAR direction.

The conferees last year directed Office of Science and Technology Policy (OSTP) to work jointly with the National Security Council, in consultation with the NASA Administrator and the Secretary of State, to expeditiously issue clarification of ITAR that ensures that university collaborations and personnel exchanges, which are vital to continued success of federally-funded research, are allowed to continue as they had under the long-standing fundamental research exception in the Export Administration Regulations.

The Committee understands that, while OSTP and NASA have proposed language to the State Department, no clarification has yet been issued. In the meantime, vital research has been delayed, and in some instances, universities have had to turn down contract due to the potential for substantial penalties for violation and uncertainty in the application of ITAR. The Committee, therefore, requests an immediate report that clarifies ITAR in a way that allows the highly productive scientific collaborations to continue under guidelines in place prior to 1999. Upon the issuance of guidance, NASA shall ensure that university principal investigators are fully aware of their responsibilities.

The Committee continues to closely follow NASA's efforts with regard to the Independent Verification and Validation (IV&V) Facility. NASA has developed a plan to integrate the use of software assurance and IV&V throughout the agency, and the Committee expects NASA to continue to implement that plan. Further, NASA should ensure that all projects undertake an assessment of whether IV&V is appropriate based on the project cost, size, complexity, life span, risk and consequences of failure. The Aerospace Safety Advisory Panel noted two IV&V concerns in its Annual Report for 2000, and made corresponding recommendations. First, the Panel noted that IV&V technology is not well understood by the project managers and recommended that NASA develop an appropriate user-centered course and require software assurance training for all levels of management. Second, the Panel recommended that NASA ensure a strong, focused effort on researching and developing new methods to perform IV&V for emerging technologies. The Committee urges NASA to assimilate the recommendations of the Aerospace Safety Advisory Panel into the functions of the IV&V Facility.

SPACE SCIENCE

Within the Space Science portion of this account, the Committee recommends $2,759,363,000, a net reduction of $27,000,000 from the budget request. The Committee recommends the following adjustments to the budget request:

1. An increase of $1,500,000 for the Center for Space Sciences at Texas Tech University, Lubbock, Texas.
2. An increase of $8,000,000 for space solar power.
3. An increase of $1,500,000 for the University of North Carolina, Chapel Hill, Morehead Planetarium and Science Discovery Outreach Center.
4. An increase of $2,000,000 for the Mid-American Geospatial Information Center based at the University of Texas at Austin, Center for Space Research.
5. The Committee directs $13,000,000 be used to continue the construction of the Propulsion Research Laboratory at the Marshall Space Flight Center, to be financed using $13,000,000 from the Office of Space Science in-space propulsion augmentation.
6. A reduction of $20,000,000 from the budget request for the Next Generation Space Telescope. The remaining funding of $72,100,000 represents an increase of 60 percent when compared to the fiscal year 2001 appropriation.
7. A reduction of $10,000,000 from the New Millennium program.
8. A reduction of $10,000,000 from the STEREO program.

BIOLOGICAL AND PHYSICAL RESEARCH

Within the Biological and Physical Research portion of this account, the Committee recommends $710,920,000, a net increase of $350,000,000 to the budget request. The Committee is aware of efforts being undertaken at Florida Atlantic University and Virginia Commonwealth University in the area of telemedicine and distance enabling technologies and encourages NASA to work with those institutions to develop innovative programs for NASA's use. The Committee recommends the following adjustments to the budget request:

1. An increase of $343,600,000 for space station research consisting of a transfer of $283,600,000 from Human Space Flight, and an increase of $60,000,000 for the Fluids and Combustion Facility and other priority space station research.
2. An increase of $3,000,000 for the Space Radiation program at Loma Linda University Hospital.
3. An increase of $2,000,000 for Earth University to research Chagas disease.
4. An increase of $1,000,000 for the development of machine/bio-interface devices to provide advanced diagnosis and countermeasures.
5. An increase of $400,000 for the Center for Research and Training in gravitational biology at North Carolina State.

EARTH SCIENCES

Within the Earth Sciences portion of this account, the Committee recommends $1,516,728,000, a net increase of $1,750,000 to the budget request. The Committee recommends the following adjustments to the budget request:

1. An increase of $1,000,000 for the New Jersey NASA Specialized Center of Research and Training. The Committee commends the work of this organization and its application not only to long-duration space missions but its impact on the agricultural and environmental business sectors. The Committee encourages NASA to continue funding these vital efforts and recommends the agency create a technology development and demonstration center in New Jersey focusing on life support issues in closed environments.

2. An increase of $2,000,000 for the Advanced Tropical Remote Sensing Center of the National Center for Tropical Remote Sensing Applications and resources at the Rosenstiel School of Marine and Atmospheric Science.

3. An increase of $450,000 for continuation of emerging research that applies remote sensing technologies to forest management practices at the State University of New York, College of Environmental Sciences and Forestry.

4. An increase of $1,500,000 for NASA's Regional Application Center for the Northeast.

5. An increase of $855,000 for operations of the applications center for remote sensing at Fulton-Montgomery Community College, Johnston, New York.

6. An increase of $15,000,000 for the Institute of Software Research for development and construction of research facilities.

7. An increase of $750,000 for on-going activities at the Goddard Institute for Systems, Software, and Technology Research, including UAV and remote sensing technology research.

8. An increase of $750,000 for the Clustering and Advanced Visual Environments initiative.

9. An increase of $5,000,000 for data storage back-up and recovery managed services that supports the Goddard Space Flight Center (GSFC) programs, providing heterogeneous support to existing information systems and scalability to serve future requirements.

10. An increase of $1,000,000 for the Triana Science Team to continue its work in preparation for future launch. The Committee encourages the earliest possible launch of Triana.

11. An increase of $750,000 for next generation sensing equipment, at Ben Gurion University to be used to correlate measurements taken by aircraft and satellites.

12. An increase of $3,000,000 to be transferred to the Air Force Research Laboratory (PE 602204F Aerospace Sensors) to develop dual-use lightweight space radar technology.

13. An increase of $1,500,000 for the United States portion of a joint U.S./Italian satellite development program to remotely observe forest fires.

14. A decrease of $30,000,000 for the budget request for the EOS follow-on program. After this reduction the program is funded at $99,622,000, an increase of $44,600,000 compared to the fiscal year 2001 appropriation.

15. A decrease of $1,805,000 from the budget request for information systems for the Earth Science Program Sciences.

AERO-SPACE TECHNOLOGY

Within the Aero-Space Technology portion of this account, the Committee recommends $2,430,789,000, a net increase of $60,045,000 to the budget request. Recognizing the importance to

NASA and our Nation of dramatically improving the affordability and reliability of access to space, the Committee has recommended the full budget request for the Space Launch Initiative. The Committee is encouraged by the testing of peroxygen-based fuels, including hydrogen peroxide, as a fuel source in the SLI and notes the fuel's potential energy density, storability and environmental benefits. Therefore, the Committee urges the continued testing of hydrogen peroxide as a fuel source and expects NASA to secure hydrogen peroxide from domestic suppliers consistent with the Buy America provisions of this Act. The Committee recommends that NASA take all necessary steps to keep hardware related to the X–34 program until the end of June, 2002 or such time as the Air Force makes a determination to either proceed or not proceed with the X–34 program. The Committee recommends the following adjustments to the budget request:

1. An increase of $7,500,000 for the Ultra Efficient Engine Technology for a total budget of $47,500,000 in fiscal year 2002.
2. An increase of $3,000,000 for the Earth Alert project at the Goddard Space Flight Center.
3. An increase of $2,500,000 for the NASA-Illinois Technology Commercialization Center at DuPage County Research Park.
4. An increase of $200,000 for the Rural Technology Transfer and Commercialization Center of Durant, Oklahoma.
5. An increase of $2,000,000 for the University of New Orleans Composites Research Center for Excellence at Michoud, Louisiana.
6. An increase of $550,000 for the aircraft fractional ownership test program.
7. An increase of $1,500,000 for the Glennan Microsystem Initiative.
8. An increase of $3,000,000 for the Polymer Energy Rechargeable System.
9. An increase of $500,000 for continued development of nickel metal hydride battery technology.
10. An increase of $2,000,000 for Wayne State University for the Smart Sensor Initiative.
11. An increase of $1,000,000 for the University of Alabama, Huntsville, Aviation Safety Laboratory.
12. An increase of $1,000,000 to be used for continued development of an electric/diesel hybrid engine at Bowling Green University.
13. The following programs are to be funded within the Aviation System Capacity program; $4,200,000 for the HITS multilateration sensor and surveillance server for Airport Surface Detection and Management System, $1,200,000 for the development of the Dynamic Runway Occupancy Measurement System, $1,400,000 for development of a Runway Taxi Route Detection and Conformance Monitoring System, and $5,000,000 for Project SOCRATES.
14. An increase of $3,000,000 to expand the Space Alliance Technology Outreach Program, including NASA business incubators, in Florida and New York.
15. An increase of $1,000,000 for the Advanced Interactive Discovery Environment engineering research program at Syracuse University.
16. An increase of $8,000,000 for the National Center of Excellence in Photonics and Microsystems in New York.

17. An increase of $2,500,000 for the Virtual Collaboration Center at the North Carolina GigaPop.

18. An increase of $2,000,000 for the Garrett Morgan Commercialization Initiative in Ohio.

19. An increase of $3,500,000 is provided to the Institute for Software Research for the following activities; $750,000 for on-going research at Marshall Space Flight Center in the areas of advanced and breakthrough solutions for interstellar propulsion, $1,750,000 for on-going activities in support of Dryden Flight Research Center's Intelligent Flight Control System research project, and $1,000,000 for the development of advanced composite materials for a super lightweight prototype structure and a generic carrier for the space shuttle orbiter.

20. An increase of $9,000,000 for hydrogen research being conducted by the Florida State University System.

21. An increase of $5,000,000 for space biotechnology research and commercial applications to be conducted at the University of Florida.

22. An increase of $2,000,000 to be transferred to the Air Force Research Laboratory (PE 602204F Aerospace Sensors) to install a baseline Silent Sentry System at Kennedy Space Center and for AFRL to conduct an evaluation of the ability for Silent Sentry to replace current range safety infrastructure.

23. A reduction of $6,200,000 to the budget request for the Aviation Systems Capacity program, leaving a funding level of $94,400,000 and an increase of $24,951,000 compared to the fiscal year 2001 appropriation.

24. The Committee directs NASA to fund the National Technology Transfer Center at no less than $7,500,000 in fiscal year 2002.

25. An increase of $500,000 for aerospace projects being accomplished by the Montana Aerospace Development Authority.

ACADEMIC PROGRAMS

Within the Academic Programs portion of this account, the Committee recommends $188,500,000, a net increase of $34,800,000 to the budget request. The Committee urges the full inclusion and participation of Lincoln and Cheney Universities in Pennsylvania in NASA's Minority University Research and Education Program. The Committee believes that it is important for NASA to provide long-term support for the NASA-sponsored Center for Excellence in Immersive and High Definition Science Education Technologies and expects to receive such a request as an integral component of the fiscal year 2003 budget submission. The Committee recommends the following adjustments to the budget request:

1. An increase of $500,000 for the Richland School District One Aeronautics Education Laboratory, located in Columbia, South Carolina.

2. An increase of $500,000 for the NASA Educator Resource Center at South East Missouri State University.

3. An increase of $1,000,000 for the Carl Sagan Discovery Science Center at the Children's Hospital at Montefiore Medical Center to implement the educational programming for this science learning project.

4. An increase of $2,500,000 for the JASON Foundation.

5. An increase of $4,000,000 for continuation of programs at the American Museum of Natural History.

6. An increase of $1,000,000 for the Sci-Port Discovery Center at Shreveport, Louisiana.

7. An increase of $2,000,000 for the NASA Glenn "Gateway to the Future: Ohio Pilot" project.

8. An increase of $500,000 for the Challenger Learning Center of Kansas.

9. An increase of $500,000 for Challenger Learning Centers in Illinois.

10. An increase of $500,000 for the Challenger Learning Center at Wheeling Jesuit University.

11. An increase of $2,000,000 for the Alan B. Shepard Discovery Center in New Hampshire.

12. An increase of $2,000,000 to the U.S. Space and Rocket Center for an Educational Training Center.

13. An increase of $600,000 for academic and infrastructure needs at St. Thomas University in Miami, Florida.

14. An increase of $1,000,000 for the Ohio View Consortium.

15. An increase of $2,000,000 for the Von Braun Scholarship program.

16. An increase of $3,000,000 for the Alabama Math, Science, and Technology initiative.

17. An increase of $1,500,000 for the Sci-Quest Hands-on Science Center.

18. An increase of $2,000,000 for the Alabama Supercomputer Educational

Outreach program.

19. An increase of $2,000,000 to the Educational Advancement Alliance to support the Alliance's math, science, and technology enrichment program.

20. An increase of $5,000,000 for the National Space Grant College and Fellowship program.

21. An increase of $500,000 for Science, Engineering, Math and Aerospace Academy programs at Central Arizona College.

22. An increase of $200,000 to enhance K–12 science education through a program of the Middle Tennessee State University.

OFFICE OF INSPECTOR GENERAL

Fiscal year 2002 recommendation	$23,700,000
Fiscal year 2001 appropriation	23,000,000
Fiscal year 2002 budget request	23,700,000
Comparison with fiscal year 2001 appropriation	+700,000
Comparison with fiscal year 2002 request	0

The Office of the Inspector General was established by the Inspector General Act of 1978 and is responsible for audit and investigation of all agency programs.

The Committee recommends $23,700,000 for the Office of the Inspector General in fiscal year 2002, an increase of $700,000 to the amount provided in fiscal year 2001 and the same as the budget for fiscal year 2001.

ADMINISTRATIVE PROVISIONS

The bill includes four administrative provisions as carried in prior appropriations acts, three of which were proposed in the budget.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

(INCLUDING TRANSFER OF FUNDS)

	Limitation on direct loans	Limitation on administrative expenses	Revolving loan program
Fiscal year 2002 recommendation	$1,500,000,000	$309,000	$1,000,000
Fiscal year 2001 appropriation	1,500,000,000	296,303	1,000,000
Fiscal year 2002 budget request	1,500,000,000	309,000	1,000,000
Comparison with 2001 appropriation	0	+12,697	0
Comparison with 2002 request	0	0	0

The National Credit Union Central Liquidity Facility Act established the National Credit Union Administration Central Liquidity Facility (CLF) on October 1, 1979, as a mixed-ownership government corporation within the National Credit Union Administration. It is managed by the National Credit Union Administration and is owned by its member credit unions. Loans may not be used to expand a loan portfolio, but are authorized to meet short-term requirements such as emergency outflows from managerial difficulties, seasonal credit, and protracted adjustment credit for long-term needs caused by disintermediation or regional economic decline.

The Committee recommends a limitation of $1,500,000,000 on CLF lending activity to member credit unions from borrowed funds. This limitation represents the same level as fiscal year 2001 and the same as the budget request.

The Committee recommends the budget request of $309,000 for administrative expenses, an increase of $12,697 above the fiscal year 2001 appropriation. Additionally the Committee recommends that $1,000,000 be transferred to the Community Development Revolving Loan Fund (the Fund) for loans to community development credit unions.

Hereafter, the National Credit Union Administration is directed to provide the Committees on Appropriations a detailed budget justification for activities of the Fund in conjunction with the budget submission for the Central Liquidity Facility.

NATIONAL SCIENCE FOUNDATION

Fiscal year 2002 recommendation	$4,840,160,000
Fiscal year 2001 appropriation	4,426,122,000
Fiscal year 2002 budget request	4,472,520,000
Comparison with fiscal year 2001 appropriation	+414,038,000
Comparison with fiscal year 2002 request	+367,640,000

Established in 1950 and receiving its first appropriation of $225,000 in 1951, the National Science Foundation celebrates its 51st anniversary as an important, highly regarded federal agency during fiscal year 2002. The primary purpose behind its creation was to develop a national policy on science, and support and promote basic research and education in the sciences filling the void

left after World War II. Since its first appropriation in 1951, NSF has grown to what in fiscal 2002 is a multi-billion dollar agency.

The Committee recommends a total of $4,840,160,000 for fiscal year 2002. This recommendation is an increase of $414,038,000 above last year's appropriation and an increase of $367,640,000 above the President's budget request.

Of the amounts approved in the following appropriations accounts, the Foundation must limit transfers of funds between programs and activities to not more than $500,000 without prior approval of the Committee. Further, no changes may be made to any account or program element if it is construed to be policy or a change in policy. Any activity or program cited in this report shall be construed as the position of the Committee and should not be subject to reductions or reprogramming without prior approval of the Committee. Finally, it is the intent of the Committee that all carryover funds in the various appropriations accounts are subject to the normal reprogramming requirements outlined above.

RESEARCH AND RELATED ACTIVITIES

Fiscal year 2002 recommendation	$3,642,340,000
Fiscal year 2001 appropriation	3,350,000,000
Fiscal year 2002 budget request	3,326,981,000
Comparison with fiscal year 2001 appropriation	+292,340,000
Comparison with fiscal year 2002 request	+315,359,000

The appropriation for Research and Related Activities covers all programs in the Foundation except Education and Human Resources, Salaries and Expenses, NSF Headquarters Relocation, Major Research Equipment, and the Office of Inspector General. These are funded in other accounts in the bill. The Research and Related Activities appropriation includes United States Polar Research Programs and Antarctic Logistical Support Activities and the Critical Technologies Institute, which were previously funded through separate appropriations. Beginning with fiscal year 1997, the President's budget provided funding for the instrumentation portion of Academic Research Infrastructure in this account.

The Committee recommends a total of $3,642,340,000 for Research and Related Activities in fiscal year 2002, an increase of $292,340,000 above last year's funding level and an increase of $315,359,000 above the budget request. The Committee's recommendation includes the following program levels: (1) Biological Sciences, $528,980,000; (2) Computer and Information Science and Engineering, $520,800,000; (3) Engineering, $469,510,000; (4) Geosciences, $612,650,000; (5) Mathematical and Physical Sciences, $927,190,000; (6) Social Behavioral and Economic Sciences, $178,900,000; (7) U.S. Polar Research Programs, $229,730,000; (8) U.S. Antarctic Logistical Support Activities, $68,070,000; and (9) Integrative Activities, $106,510,000.

Except as specifically noted herein, in the distribution of funds within each directorate, the Foundation is directed to provide each program, project, and activity the same percentage as that proposed in the budget request. Should the NSF find it necessary to pursue funds for "emergency" research needs at any time during the fiscal year, the Committee will make every effort to respond to appropriate reprogramming requests as quickly as possible.

Within the additional funds made available for Computer and Information Science and Engineering, up to $10,000,000 may be used by NSF for ongoing operational support of the two funded terascale computing systems.

Funds provided under this heading in the budget request to maintain ongoing activities of the Atacama Large Millimeter Array have been provided as a new appropriation within the Major Research Facilities Construction and Equipment account. Within the additional funds thus available for astronomical sciences, not less than $2,000,000 shall be used for the Telescope Systems Instrumentation Program (TSIP). In addition, the Foundation is expected to aggressively continue its program, begun last year, of upgrading on a priority basis its astronomical facilities and equipment.

The Committee intends that within the funds provided to the Integrative Activities Directorate, $4,000,000 is for the Science and Technology Policy Institute, $26,610,000 is for Science and Technology Centers, and $75,900,000 is for Major Research Instrumentation.

The Committee is aware of and shares concerns raised in testimony of the NSF's Inspector General before the Senate Appropriations Committee regarding specific management issues within the Foundation. The Committee requests that in the fiscal 2002 operating plan submission the Director address each of the issues raised and outline specifically what steps have been taken to make appropriate improvements.

Because understanding our children's development and behavior is vital to America's future, the Committee again this year urges the Foundation to provide up to $5,000,000 to fund the Children's Research Initiative (CRI). In doing so, NSF should use as a guide the 1997 National Science and Technology Council's report, "Investing in Our Future: A National Research Initiative for America's Children in the 21st Century." Further, the NSF should employ its normal peer review process for determining grants to the CRI.

The CRI should encompass all aspects of research on children, excluding medical, and should be open to scientists from a diverse set of institutions. Among other issues, the Foundation should consider pursuing theory-informed, hypothesis driven research on development processes in children, understanding a child's development over the long term, and the influence of families and communities on that development.

The Committee commends the NSF leadership for their recognition of the needs of the mathematical sciences, and their efforts to provide the support that is required to meet those needs.

Within the general Nanotechnology Science and Engineering program area, the Committee urges NSF to consider a stronger emphasis on research that explores biological mechanisms at the molecular force level and then translates these findings up through hierarchical scales of structure and organization to provide unique designs for engineered devices. The primary technological impact of such research will be the development of enabling technologies to create new "adaptive/smart" sensing and actuation devices with applications that will directly impact technological advancement and the economy, including bio-inspired propulsion, locomotion, and actuation for robotics in the aeronautics, marine, defense, and space

industries; and miniature and functionally complete mechanical systems for integration with silicon electronics.

The Committee is aware that the Foundation has plans to retire certain national facilities in radio astronomy despite considerable community interest and research need, until construction of the Atacama Large Millimeter Array (ALMA) is completed. The Committee strongly urges the Foundation to consider innovative proposals to privatize these facilities operations as a cost-effective way to maintain critical community access to them while lowering the overall financial resources needed to do so.

MAJOR RESEARCH FACILITIES CONSTRUCTION AND EQUIPMENT

Fiscal year 2002 recommendation	$135,300,000
Fiscal year 2001 appropriation	121,600,000
Fiscal year 2002 budget request	96,332,000
Comparison with fiscal year 2001 appropriation	+13,700,000
Comparison with fiscal year 2002 request	+38,968,000

This account provides funding for the construction of major research facilities that provide unique capabilities at the cutting edge of science and engineering.

The Committee recommends a total of $135,300,000 for the major research construction and equipment account for fiscal year 2002. This appropriation reflects the budget request levels of $16,900,000 for the Large Hadron Collider, and $24,400,000 for the Network for Earthquake Engineering Simulation.

In addition, the Committee has provided $35,000,000 for Terrascale Computing Systems, $35,000,000 for continued development of the High-Performance Instrumented Airborne Platform for Environmental Research (HIAPER), $15,000,000 for initiation of the IceCube Neutrino Detector project, and $9,000,000 to maintain ongoing development activities for the Atacama Large Millimeter Array.

With regard to HIAPER, the Committee's recommendation is expected to provide for the purchase of the appropriate airframe as well as preliminary planning, development and/or acquisition of necessary modifications of the airframe for research purposes, instrumentation, data systems, and engineering activities.

The Committee has also included $15,000,000 to initiate the IceCube Neutrino Detector physics/astronomy project recently approved by the National Science Board. This project, building on the successful AMANDA demonstration, is designed to more fully develop knowledge of the origins of the universe as well as the fundamental nature of physical matter using its unique polar telescope. This device will allow scientists to measure, quantify and analyze neutrino particles and their role in these basic questions of science. The amount provided for fiscal 2002 will support development and acquisition of new generation technology, including new polar drilling equipment, and other steps necessary to begin construction of IceCube as soon as possible.

The Committee recognizes that the statutory language utilized to make appropriations for both the Research and Related Activities account and the Major Research Construction and Equipment account has provided significant flexibility for the Foundation to provide adequate resources to ongoing projects and programs. The Committee also recognizes that certain aspects of such projects or

programs can reasonably be considered appropriately funded from either of these two accounts. Nevertheless, the Committee believes that for the Foundation to maintain clear and distinct records of spending activities related to each aforementioned account, it is necessary to provide definitive guidance throughout the Foundation as to which specific activities are to be accounted for within each account. Therefore, the Committee directs the Foundation to develop such guidance, which shall be submitted to the Committees on Appropriations for review no later than October 31, 2001. In this regard and to better define the activities within this account, the Committee has recommended that the Major Research Equipment account be retitled Major Research Facilities Construction and Equipment.

EDUCATION AND HUMAN RESOURCES

Fiscal year 2002 recommendation	$885,720,000
Fiscal year 2001 appropriation	787,352,000
Fiscal year 2002 budget request	872,407,000
Comparison with fiscal year 2001 appropriation	+98,368,000
Comparison with fiscal year 2002 request	+13,313,000

The Foundation's Education and Human Resources activities are designed to encourage the entrance of talented students into science and technology careers, to improve the undergraduate science and engineering education environment, to assist in providing all pre-college students with a level of education in mathematics, science, and technology that reflects the needs of the nation and is the highest quality attained anywhere in the world, and extend greater research opportunities to underrepresented segment of the scientific and engineering communities.

For fiscal year 2002, the Committee recommends $885,720,000, an increase of $98,368,000 above last year's appropriated level and $13,313,00 above the budget request.

The Committee's recommendation includes program levels of $75,000,000 for the EPSCoR program, $27,000,000 for the Louis Stokes Alliances for Minority Participation program, and $17,000,000 for the Historically Black Colleges and Universities—Undergradute Program, all of which are increases above the budget request.

The Committee remains impressed with the continued success of the Historically Black Colleges and Universities (HBCU) Development Grant program. The Committee recognizes that further expansion of the program may be warranted given the unmistakable contributions HBCUs have made and realizes that some assessment of these contributions is needed first. The Committee therefore recommends that up to $1,000,000 be used by NSF for an independent, thorough analysis of the economic impact of HBCUs in their surrounding communities, which will serve as a starting point for future enhancement of the HBCU Development Grant Program.

In addition to providing the budget request of $200,000,000 for the new Math and Science Partnerships Program, the Committee's recommendation includes $5,000,000 for Teacher Research Scholarships and $5,000,000 for Noyce Scholarships, both of which are intended to be provided in a manner consistent with and as described in "The Mathematics and Science Partnerships Act," H.R. 1858.

The Committee recognizes the important role that community colleges play in providing accessible, quality educational opportunities to the public, promoting community and economic development, and enhancing the quality of life for our Nation. The Committee recognizes previous efforts at the National Science Foundation to improve its partnership with community colleges. However, the Committee encourages the National Science Foundation to further strengthen its outreach to community colleges and to strive to better emphasize the involvement of community colleges in its activities. The Committee expects that the expenditure of National Science Foundation resources will better reflect the expanding role of community colleges in helping the National Science Foundation achieve its goals.

The Committee acknowledges the importance of the ATE program and encourages the Foundation to consider it among the priorities when allocating additional funds provided by the Congress.

Similarly, the Foundation may, through a competitive, merit-based process, provide to a consortium composed of community colleges a grant for the purpose of carrying out a pilot project to provide support to encourage women, minorities, and persons with disabilities to enter and complete programs in science, engineering, and technology.

SALARIES AND EXPENSES

Fiscal year 2002 recommendation	$170,040,000
Fiscal year 2001 appropriation	160,890,000
Fiscal year 2002 budget request	170,040,000
Comparison with fiscal year 2001 appropriation	+9,150,000
Comparison with fiscal year 2002 request	0

The Salaries and Expenses activity provides for the operation, support and management, and direction of all Foundation programs and activities and includes necessary funds that develop, manage, and coordinate Foundation programs.

The Committee recommends an appropriation of $170,040,000 for salaries and expenses, the same as the President's budget request and an increase of $9,150,000 above last year's appropriated level.

OFFICE OF INSPECTOR GENERAL

Fiscal year 2002 recommendation	$6,760,000
Fiscal year 2001 appropriation	6,280,000
Fiscal year 2002 budget request	6,760,000
Comparison with fiscal year 2001 appropriation	+480,000
Comparison with fiscal year 2002 request	0

This account provides National Science Foundation audit and investigation functions to identify and correct management and administrative deficiencies which could lead to fraud, waste, or abuse.

For fiscal year 2002, the Committee has recommended $6,760,000 for the Office of Inspector General. This amount is $480,000 above last year's funding level and is the same as the budget request.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

Fiscal year 2002 recommendation	$105,000,000
Fiscal year 2001 appropriation	90,000,000
Fiscal year 2002 budget request	95,000,000
Comparison with fiscal year 2001 appropriation	15,000,000
Comparison with fiscal year 2002 budget request	+10,000,000

The Neighborhood Reinvestment Corporation, established by title VI of Public Law 95–557 in October 1978, is committed to promoting reinvestment in older neighborhoods by local financial institutions working cooperatively with community people and local government. This is primarily accomplished by assisting community-based partnerships (NeighborWorks organizations) in a range of local revitalization efforts. Increase in homeownership among lower-income families is a key revitalization tool. Neighborhood Housing Services of America (NHSA) supports lending activities of the NeighborWorks organizations through a national secondary market that leverages its capital with private sector investment.

The Committee recommends a funding level of $105,000,000 for fiscal year 2002, an increase of $10,000,000 to the budget request and an increase of $15,000,000 above the fiscal year 2001 level.

A set-aside of $10,000,000, as proposed in the budget, is included for continuation of an innovative initiative that combines a conventional mortgage, section 8 assistance, and the NRC revolving loan fund, with pre- and post-purchase counseling thereby enabling low-income families to attain the goal of homeownership.

Neighborhood Reinvestment and the NeighborWorks network have been industry pioneers at devising an innovative mechanism to use HUD's Section 8 homeownership option and at using their experience and early lessons learned to develop training, which is delivered through the national Neighborhood Reinvestment Training Institute. By April 2001, four NeighborWorks organizations had assisted 34 low-income families to become homeowners by using Section 8 vouchers as a partial payment for a mortgage. Over the next three years, these four organizations alone expect to assist over 260 additional families.

In FY 2000, Neighborhood Reinvestment received $5 million appropriation to encourage additional partnerships between Public Housing Authorities and NeighborWorks organizations to implement a Section 8 homeownership option. Neighborhood Reinvestment used this funding to make grants to 21 of its members to capitalize local revolving funds and provide intensive pre- and post-purchase counseling. Through the Neighborhood Reinvestment Training Institute, the Corporation will serve the nation as a whole by disseminating what it and the network has learned about using the homeownership option.

This Committee is supportive of Neighborhood Reinvestment and its network in these activities and wants to encourage the development of additional local partnerships, research, and training, which will not only assist low-income families to become homeowners, but will continue to utilize the NeighborWorks network as an effective laboratory in which innovative revitalization strategies can be tested and evaluated.

The Committee has also included an increase of $10,000,000 for the core programs of the Neighborhood Reinvestment Corporation.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

Fiscal year 2002 recommendation	$25,003,000
Fiscal year 2001 appropriation	24,480,000
Fiscal year 2002 budget request	25,003,000
Comparison with fiscal year 2001 appropriation	+523,000
Comparison with fiscal year 2002 budget request	0

The Selective Service System was reestablished by the Selective Service Act of 1948. The basic mission of the System is to be prepared to supply manpower to the Armed Forces adequate to ensure the security of the United States during a time of national emergency. Since 1973, the Armed Forces have relied on volunteers to fill military manpower requirements. However, the Selective Service System remains the primary vehicle by which men will be brought into military if Congress and the President should authorize a return to the draft.

For fiscal year 2002, the bill includes the budget request of $25,003,000 for the Selective Service System, $523,000 above the fiscal year 2001 funding level.

TITLE IV—GENERAL PROVISIONS

The Committee recommends inclusion of twenty-six general provisions, twenty-three of which were requested in the fiscal year 2002 budget and twenty-four were carried in the fiscal year 2001 Appropriations Act (Public Law 106–377). The Committee has included a general provision regarding the collection of pesticide registration fees and a provision on pesticide tolerance fees, the latter of which was proposed for deletion but was included in the fiscal year 2001 Appropriations Act. The Committee has included a new general provision which changes the reporting dates associated with the Cerro Grande Fire Assistance Act.

HOUSE OF REPRESENTATIVES REPORT REQUIREMENTS

The following items are included in accordance with various requirements of the rules of the House of Representatives.

CONSTITUTIONAL AUTHORITY

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives states: "Each report of a committee on bill or joint resolution of a public character, shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the law proposed by the bill or joint resolution."

The Committee on Appropriations bases its authority to report this legislation from clause 7 of section 9 of Article I of the Constitution of the United States of America which states: "No money shall be drawn from the Treasury but in consequence of Appropriations made by law * * *"

Appropriations contained in this Act are made pursuant to this specific power granted by the Constitution.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the following is a statement of general performance goals and objectives for which this measure authorizes funding:

The Committee on Appropriations considers program performance, including a program's success in developing and attaining outcome-related goals and objectives, in developing funding recommendations.

TRANSFER OF FUNDS

Pursuant to clause 3(f)(2), rule XIII of the Rules of the House of Representatives, the following statements are made describing the transfers of funds provided in the accompanying bill.

The Committee has included language transferring not to exceed $17,940,000 from compensation and pensions to general operating expenses and medical care. These funds are for the administrative costs of implementing cost-savings proposals required by the omnibus Budget Reconciliation Act of 1990 and the Veterans' Benefits Act of 1992. Language is also included permitting necessary sums to be transferred to the medical facilities revolving fund to augment funding of medical centers for nursing home care provided to pensioners as authorized by the Veterans' Benefits Act of 1992.

The Committee recommends transferring the following amounts to the VA's general operating expenses appropriation pursuant to the Federal Credit Reform Act of 1990: the veterans housing benefit program fund program account ($164,497,000), the education loan fund program account ($64,000), the vocational rehabilitation loans program account ($274,000) and the Native American veteran housing loan program account ($544,000). In addition, the bill provides up to $750,000 in general operating expenses and medical care for administration of the guaranteed transitional housing loans for homeless veterans program account.

The Committee has included language under the Department of Veterans Affairs which would transfer funds from the medical care collections fund to medical care.

The Committee recommends providing authority under administrative provisions for the Department of Veterans Affairs for any funds appropriated in 2002 for compensation and pensions, readjustment benefits, and veterans insurance and indemnities to be transferred between those three accounts. This will provide the Department of Veterans Affairs flexibility in administering its entitlement programs. Language is also included permitting the funds from three life insurance funds to be transferred to general operating expenses for the costs of administering such programs.

The Committee has included language under the Department of Housing and Urban Development transferring all uncommitted prior balances of excess rental charges as of fiscal year 2001 and all collections made during fiscal year 2002 to the flexible subsidy fund.

The Committee has included language under the Department of Housing and Urban Development transferring the following amounts to the salaries and expenses account for administrative expenses: FHA mutual mortgage insurance and general and special

risk insurance program accounts ($530,457,000); GNMA guarantees of mortgage-backed securities loan guarantee program account ($9,383,000); community development loan guarantees program account ($1,000,000); Indian housing loan guarantee fund program account ($200,000); and Native American housing block grants account ($150,000).

The Committee has included language under the Department of Housing and Urban Development transferring no less than the following amounts to the working capital fund under the salaries and expenses account for development and management of information technology systems: housing certificate fund ($11,000,000); public housing capital fund ($43,000,000); community development fund ($15,000,000); home investment partnership program account ($17,000,000); homeless assistance grants account ($14,200,000); housing for special populations account ($1,000,000); FHA mutual mortgage insurance program account ($96,500,000); FHA general and special risk insurance program account ($33,500,000); and native American housing block grants account ($2,000,000).

The Committee has included language under the Department of Housing and Urban Development transferring $10,000,000 from the public housing operating fund account to the Office of Inspector General for Operation Safe Home.

The Committee has included language under the Department of Housing and Urban Development transferring $22,343,000 from the various funds of the Federal Housing Administration to the Office of Inspector General.

The Committee has included language under the Department of Housing and Urban Development transferring $23,000,000 from the federal housing enterprise oversight fund to the office of federal housing enterprise oversight account.

The Committee has included language under the Environmental Protection Agency transferring funds from the hazardous substance superfund trust fund ($11,867,000) to the Office of Inspector General. In addition, $36,891,000 is transferred from the hazardous substance superfund trust fund to the science and technology account.

The Committee has included language under the Federal Deposit Insurance Corporation transferring up to $33,660,000 from the Bank Insurance Fund, the Savings Association Insurance Fund, and the FSLIC Resolution Fund to the Office of Inspector General.

The Committee has included language under the Federal Emergency Management Agency transferring $2,900,000 from the disaster relief account to the emergency management planning and assistance account.

The Committee has included language under the Federal Emergency Management Agency transferring up to $20,000,000 from the National Flood Insurance Fund to the National Flood Mitigation Fund.

The Committee has included general transfer language under National Aeronautics and Space Administration, human space flight account and the science aeronautic and technology account. This language will allow for the transfer of funds among these two accounts, as necessary, to reflect full cost accounting recently scheduled for implementation.

The Committee has included language under National Credit Union Administration transferring $1,000,000 to the Community Development Revolving Loan Fund.

RESCISSIONS RECOMMENDED IN THE BILL

Pursuant to clause 3(f)(2) of rule XIII of the Rules of the House of Representatives, the following table is submitted describing the rescissions recommended in the accompanying bill:

Department of Housing and Urban Development, Housing Certificate Fund	−886,000,000
Department of Housing and Urban Development, Management and Administration, Consolidated Fee Fund	−6,700,000

COMPLIANCE WITH RULE XIII, CL. 3(e) (RAMSEYER RULE)

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

* * * * * * *

PART II—GENERAL BENEFITS

* * * * * * *

CHAPTER 17—HOSPITAL, NURSING HOME, DOMICILIARY, AND MEDICAL CARE

Subchapter I—General

Sec.
1701. Definitions.

* * * * * * *

Subchapter III—Miscellaneous Provisions Relating to Hospital and Nursing Home Care and Medical Treatment of Veterans

1721. Power to make rules and regulations.

* * * * * * *

[1729B. Health Services Improvement Fund.]

* * * * * * *

Subchapter III—Miscellaneous Provisions Relating to Hospital and Nursing Home Care and Medical Treatment of Veterans

* * * * * * *

§ 1722A. Copayment for medications

(a) * * *

* * * * * * *

(c) Amounts collected [under subsection (a)] *under this section* shall be deposited in the Department of Veterans Affairs Medical Care Collections Fund. [Amounts collected through use of the au-

thority under subsection (b) shall be deposited in the Department of Veterans Affairs Health Services Improvement Fund.]

* * * * * * *

§ 1729A. Department of Veterans Affairs Medical Care Collections Fund

(a) * * *

(b) Amounts recovered or collected after June 30, 1997, under any of the following provisions of law shall be deposited in the fund:

(1) * * *

* * * * * * *

(7) Section 8165(a) of this title.

(8) Section 113 of the Veterans Millennium Health Care and Benefits Act (Public Law 106–117; 38 U.S.C. 8111 note).

[(7)] *(9)* Public Law 87–693. popularly known as the "Federal Medical Care Recovery Act" (42 U.S.C. 2651 et seq.), to the extent that a recovery or collection under that law is based on medical care or services furnished under this chapter.

* * * * * * *

[§ 1729B. Health Services Improvement Fund

[(a) There is established in the Treasury of the United States a fund to be known as the Department of Veterans Affairs Health Services Improvement Fund.

[(b) Amounts received or collected after the date of the enactment of this section under any of the following provisions of law shall be deposited in the fund:

[(1) Section 1713A of this title.

[(2) Section 1722A(b) of this title.

[(3) Section 8165(a) of this title.

[(4) Section 113 of the Veterans Millennium Health Care and Benefits Act.

[(c) Amounts in the fund are hereby available, without fiscal year limitation, to the Secretary for the purposes stated in subparagraphs (A) and (B) of section 1729A(c)(1) of this title.

[(d) The Secretary shall allocate amounts in the fund in the same manner as applies under subsection (d) of section 1729A of this title with respect to amounts made available from the fund under that section.]

* * * * * * *

PART VI—ACQUISITION AND DISPOSITION OF PROPERTY

* * * * * * *

CHAPTER 81—ACQUISITION AND OPERATION OF HOSPITAL AND DOMICILIARY FACILITIES; PROCUREMENT AND SUPPLY; ENHANCED—USE LEASES OF REAL PROPERTY

* * * * * * *

Subchapter V—Enhanced—Use Leases of Real Property

§ 8165. Use of proceeds

(a)(1) Funds received by the Department under an enhanced-use lease and remaining after any deduction from those funds under subsection (b) shall be deposited in the [Department of Veterans Affairs Health Services Improvement Fund established under section 1729B of this title] *Department of Veterans Affairs Medical Care Collections Fund established under section 1729A of this title.*

* * * * * * *

SECTION 113 OF THE VETERANS MILLENNIUM HEALTH CARE AND BENEFITS ACT

SEC. 113. ACCESS TO CARE FOR TRICARE-ELIGIBLE MILITARY RETIREES.

(a) * * *

(b) DEPOSITING OF REIMBURSEMENTS.—Amounts received by the Secretary of Veterans Affairs under the agreement under subsection (a) shall be deposited in the [Department of Veterans Affairs Health Services Improvement Fund established under section 1729B of title 38, United States Code, as added by section 202] *Department of Veterans Affairs Medical Care Collections fund established under section 1729A of title 38, United States Code.*

* * * * * * *

SECTION 225 OF THE DEPARTMENT OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 2000

HOPWA TECHNICAL

SEC. 225. (a) Notwithstanding any other provision of law, the amount allocated for fiscal year 2000, and the amounts that would otherwise be allocated for fiscal year 2001 *and fiscal year 2002,* to the City of Philadelphia, Pennsylvania on behalf of the Philadelphia, PA–NJ Primary Metropolitan Area (hereafter "metropolitan area"), under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)), the Secretary of Housing and Urban Development shall adjust such amounts by allocating to the State of New Jersey the proportion of the metropolitan area's amount that is based on the number of cases of AIDS reported in the portion of the metropolitan area that is located in New Jersey.

* * * * * * *

NATIONAL HOUSING ACT

* * * * * * *

TITLE II—MORTGAGE INSURANCE

INSURANCE OF MORTGAGES

SEC. 203. (a) * * *

* * * * * * *

(c)(1) The Secretary is authorized to fix premium charge for the insurance of mortgages under the separate sections of this title but in the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any time, without taking into account delinquent payments or prepayments: *Provided,* That premium charges fixed for insurance (1) under section 245, 247, 251, 252, or 253, or any other financing mechanism providing alternative methods for repayment of a mortgage that is determined by the Secretary to involve additional risk, or (2) under subsections (n) [and] or (k) are not required to be the same as the premium charges for mortgages insured under the other provisions of this section, but in no case shall premium charges under subsection (n) or (k) exceed 1 per centum per annum: *Provided,* That any reduced premium charge so fixed and computed may, in the discretion of the Secretary, also be made applicable in such manner as the Secretary shall prescribe to each insured mortgage outstanding under the section or sections involved at the time the reduced premium charge is fixed. Such premium charges shall be payable by the mortgagee, either in cash, or in debentures issued by the Secretary under this title at par plus accrued interest, in such manner as may be prescribed by the Secretary: *Provided,* That debentures presented in payment of premium charges shall represent obligations of the particular insurance fund or account to which such premium charges are to be credited: *Provided further,* that the Secretary may require the payment of one or more such premium charges at the time the mortgage is insured, at such discount rate as he may prescribe not in excess of the interest rate specified in the mortgage. If the Secretary finds upon the presentation of a mortgage for insurance and the tender of the initial premium charge or charges so required that the mortgage complies with the provisions of this section, such mortgage may be accepted for insurance by endorsement or otherwise as the Secretary may prescribe; but no mortgage shall be accepted for insurance under this section unless the Secretary finds that the project with respect to which the mortgage is executed is economically sound. In the event that the principal obligation of any mortgage accepted for insurance under this title is paid in full prior to the maturity date, the Secretary is further authorized in his discretion to require the payment by the mortgagee of an adjusted premium charge in such amount as the Secretary determines to be equitable, but not in excess of the aggregate amount of the premium charges that the mortgagee would otherwise have been required to pay if the mortgage had continued to be insured until such maturity date; and in the event that the principal obligation is paid in full as herein set forth, the Secretary is authorized to refund to the mortgagee for the account of the mortgagor all, or

such portion as he shall determine to be equitable, of the current unearned premium charges theretofore paid: *Provided,* that with respect to mortgages (1) for which the Secretary requires, at the time the mortgage is insured, the payment of a single premium charge to cover the total premium obligation for the insurance of the mortgage, and (2) on which the principal obligation is paid before the number of years on which the premium with respect to a particular mortgage was based, or the property is sold subject to the mortgage or is sold and the mortgage is assumed prior to such time, the Secretary shall provide for refunds, where appropriate, of a portion of the premium paid and shall provide for appropriate allocation of the premium cost among the mortgagors over the term of the mortgage, in accordance with procedures established by the Secretary which take into account sound financial and actuarial considerations.

(2) Notwithstanding any other provision of this section, each mortgage secured by a 1- to 4-family dwelling [and executed on or after October 1, 1994,] that is an obligation of the Mutual Mortgage Insurance Fund or of the General Insurance Fund pursuant to subsection (v), *and each mortgage that is insured under sub-section (k) or section 234(c),* shall be subject to the following requirements:

(A) * * *

* * * * * * *

ADJUSTABLE RATE SINGLE FAMILY MORTGAGES

SEC. 251. (a) * * *

(b) The Secretary shall [issue regulations requiring that the mortgagee make available to the mortgagor, at the time of loan application, a written explanation of the features of the adjustable rate mortgage, including a hypothetical payment schedule that displays the maximum potential increases in monthly payments to the mortgagor over the first 5 years of the mortgage term.] *require that the mortgagee make available to the mortgagor, at the time of loan application, a written explanation of the features of an adjustable rate mortgage consistent with the disclosure requirements applicable to variable rate mortgages secured by a principal dwelling under the Truth in Lending Act.*

* * * * * * *

(d)(1) The Secretary may insure under this subsection a mortgage that meets the requirements of subsection (a), except that the effective rate of interest—

(A) shall be fixed for a period of not less than the first 3 years of the mortgage term;

(B) shall be adjusted by the mortgagee initially upon the expiration of such period and annually thereafter;

(C) in the case of the initial interest rate adjustment, is subject to the one percent limitation only if the interest rate remained fixed for five or fewer years.

(2) The disclosure required under subsection (b) shall be required for a mortgage insured under this subsection.

* * * * * * *

FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT

* * * * * * *

SEC. 136a–1 (i) * * *

* * * * * * *

(5) MAINTENANCE FEE.—

(A) Subject to * * *

(B) In the case of * * *

(C)(i) The amount of each fee prescribed under subparagraph (A) shall be adjusted by the Administrator to a level that will result in the collection under this paragraph of, to the extent practicable, an aggregate amount of [$14,000,000] *$17,000,000* in [each] fiscal year *2002.*

(D) The maximum * * *

(E)(i) For a small * * *

(F) The Administrator shall * * *

(G) If any fee * * *

(H) The authority provided under this paragraph shall terminate on September 30, [2001] *2001.*

(6) OTHER FEES.—During the period beginning on October 25, 1988, and ending on September 30, [2001] *2002,* the Administrator shall * * *

* * * * * * *

(k) * * *

(3) EXPEDITED PROCESSING OF SIMILAR APPLICATIONS.—

(A) The Administrator shall use for each of the fiscal years 1997 through [2001] *2002,* not more than [1/7] *1/10* of the maintenance fee collected * * *

* * * * * * *

NATIONAL FLOOD INSURANCE ACT OF 1968

TITLE XIII—NATIONAL FLOOD INSURANCE

SHORT TITLE

SEC. 1301. This title may be cited as the "National Flood Insurance Act of 1968".

* * * * * * *

CHAPTER I—THE NATIONAL FLOOD INSURANCE PROGRAM

* * * * * * *

FINANCING

SEC. 1309. (a) All authority which was vested in the Housing and Home Finance Administrator by virtue of section 15(e) of the Federal Flood Insurance Act of 1956 (70 Stat. 1084) (pertaining to the

issue of notes or other obligations or the Secretary of the Treasury), as amended by subsections (a) and (b) of section 1303 of this Act, shall be available to the Director for the purpose of carrying out the flood insurance program under this title; except that the total amount of notes and obligations which may be issued by the Director pursuant to such authority (1) without the approval of the President, may not exceed $500,000,000, and (2) with the approval of the President, may not exceed $1,500,000,000 through December 31, [2001] *2002,* and $1,000,000,000 thereafter. The Director shall report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate at any time when he requests the approval of the President in accordance with the preceding sentence.

* * * * * * *

PROGRAM EXPIRATION

SEC. 1319. No new contract for flood insurance under this title shall be entered into after [September 30, 2001] *December 31, 2002.*

* * * * * * *

PART A—INDUSTRY PROGRAM WITH FEDERAL FINANCIAL ASSISTANCE

* * * * * * *

EMERGENCY IMPLEMENTATION OF PROGRAM

SEC. 1336. (a) Notwithstanding any other provisions of this title, for the purpose of providing flood insurance coverage at the earliest possible time, the Director shall carry out the flood insurance program authorized under chapter I during the period ending [September 30, 2001] *December 31, 2002,* in accordance with the provisions of this part and the other provisions of this title insofar as they relate to this part but subject to the modifications made by or under subsection (b).

(b) In carrying out the flood insurance program pursuant to subsection (a), the Director—

(1) shall provide insurance coverage without regard to any estimated risk premium rates which would otherwise be determined under section 1307; and

(2) shall utilize the provisions and procedures contained in or prescribed by this part (other than section 1334) and sections 1345 and 1346 to such extent and in such manner as he may consider necessary or appropriate to carry out the purpose of this section.

* * * * * * *

CHAPTER IV—APPROPRIATIONS AND MISCELLANEOUS PROVISIONS

* * * * * * *

APPROPRIATIONS

SEC. 1376. (a) * * *

* * * * * * *

(c) There are authorized to be appropriated such sums as may be necessary through December 31, [2001] *2002*, for studies under this title.

* * * * * * *

TITLE I—CERRO GRANDE FIRE ASSISTANCE ACT

* * * * * * *

SEC. 104. COMPENSATION FOR VICTIMS OF CERRO GRANDE FIRE.

(a) IN GENERAL.—

* * * * * * *

(n) REPORT.—

* * * * * * *

(4) the Comptroller General shall conduct an annual audit on the payment of all claims made under this title and shall report to the Congress on the results of this audit [beginning not later than the expiration of the 1-year period beginning on the date of the enactment of this Act.] *within 120 days after the Director issues the report required by subsection (n) in 2002 and 2003.* This report shall include a review of all subrogation claims for which insurance companies have been paid or are seeking payment as subrogees under this title.

(o) AUTHORIZATION OF APPROPRIATIONS.—

* * * * * * *

CHANGES IN THE APPLICATION OF EXISTING LAW

The Committee submits the following statements in compliance with clause 3, rule XXI of the Rules of the House of Representatives, describing the effects of provisions proposed in the accompanying bill which may be considered, under certain circumstances, to change the application of existing law, either directly or indirectly.

Language is included in various parts of the bill to continue ongoing activities and programs where authorizations have not been enacted to date.

In some cases, the Committee has recommended appropriations which are less than the maximum amounts authorized for the various programs funded in the bill. Whether these actions constitute a change in the application of existing law is subject to interpretation, but the Committee felt that this should be mentioned.

The Committee has included limitations for official reception and representation expenses for selected agencies in the bill.

Sections 401 through 421, and 423 through 425 of title IV of the bill, all of which are carried in the fiscal year 2001 Appropriations Act, are general provisions which place limitations or restrictions

on the use of funds in the bill and which might, under certain circumstances, be construed as changing the application of existing law. A new section 422 has been added this year which limits the use of funds to implement a pesticide registration fee. A new section 426 is included which changes the dates that reports are required pursuant to the Cerro Grande Fire Assistance Act.

The bill includes, in certain instances, limitations on the obligation of funds for particular functions or programs. These limitations include restrictions on the obligation of funds for administrative expenses, the use of consultants, and programmatic areas within the overall jurisdiction of a particular agency.

Language is included under the Department of Veterans Affairs, medical care, earmarking and delaying the availability of certain equipment and land and structures funds, and limiting funds available for the operations and maintenance of facilities.

Language is included under the Department of Veterans Affairs providing for the deposit of receipts collected under the Millennium Health Care and Benefits Improvements Act of 1999 in the medical care collections fund.

Language is included under the Department of Veterans Affairs, general operating expenses, providing for the reimbursement to the Department of Defense for the costs of overseas employee mail. This language has been carried previously and permits free mailing privileges for VA personnel stationed in the Philippines.

Language is included under the Department of Veterans Affairs, construction, major projects, establishing time limitations and reporting requirements concerning the obligation of major construction funds, limiting the use of funds, and allowing the use of funds for program costs.

Lanaguage is included under the Department of Veterans Affairs establishing the facility rehabilitation fund which provides funding for certain sections of H.R. 811, the Veterans Hospital Emergency Repair Act, as passed by the House on March 27, 2001.

Language is included under the Department of Veterans Affairs, construction, minor projects, providing that unobligated balances of previous appropriations may be used for any project with an estimated cost of less than $4,000,000, allowing the use of funds for program costs, and making funds available for damage caused by natural disasters.

Language is included under the Department of Veterans Affairs, administrative provisions, permitting transfers between mandatory accounts, limiting and providing for the use of certain funds, and funding administrative expenses associated with VA life insurance programs from excess program revenues. Seven provisions have been carried in previous Appropriations Acts. Four new provisions have been added.

Language is included under Department of Veterans Affairs, administrative provisions extending the Department's authority to operate their Franchise Fund through October 1, 2002.

Language is included under Department of Veterans Affairs, administrative provisions allowing for the obligation of reimbursements from enhanced-use lease services during the fiscal year in which the proceeds are received.

Language is included under Department of Veterans Affairs, administrative provisions allowing for the reimbursements of up to

$28,555,000 to the Office of Resolution Management and up to $2,383,000 from the Office of Employment Discrimination Management for services rendered.

Language is included under Department of Housing and Urban Development, which designates funds for various programs and specifies the uses of such funds.

Language is included under Department of Housing and Urban Development, housing certificate fund, which places a limitation on certain fees.

Language is included under Department of Housing and Urban Development, public housing capital fund, which clarifies the effective date of certain requirements; specifies the allocation of certain funds; limits the delegation of certain waiver authorities; waives certain penalties related to withholding of funds; requires reallocation of certain funds; and prohibits funds from being used for certain activities.

Language is included under Department of Housing and Urban Development, public housing operating fund, which designates certain funds to be distributed by the Attorney General through a reimbursable agreement; and prohibits funds from being used for certain activities.

Language is included under Department of Housing and Urban Development, revitalization of severely distressed public housing (HOPE VI), which prohibits the use of funds for awards to settle litigation or pay judgments.

Language is included under Department of Housing and Urban Development, home investment partnerships program, which limits the availability of certain funds subject to enactment of subsequent legislation.

Language is included under Department of Housing and Urban Development, homeless assistance grants, which establishes certain minimum funding and matching requirements; and requires grantees to integrate homeless programs with other social service providers.

Language is included under Department of Housing and Urban Development, housing for special populations, which permits waivers of certain program provisions; and allows funds to be used to renew certain contracts.

Language is included under Department of Housing and Urban Development, flexible subsidy fund, which permits the use of excess rental charges.

Language is included under Department of Housing and Urban Development, manufactured housing fees trust fund, which permits fees to be modified.

Language is included under Department of Housing and Urban Development, fair housing and equal opportunity, which places restrictions on the use of funds for lobbying activities.

Language is included under Department of Housing and Urban Development, salaries and expenses, which places limitations on personnel; and requires submission of a staffing plan.

Language is included under Department of Housing and Urban Development, office of federal housing enterprise oversight, which limits net appropriations for the General Fund of the Treasury.

Language is included under Department of Housing and Urban Development, administrative provisions, which maintains and re-

duces annual adjustment factors; prohibits funds to investigate or prosecute certain lawful activities; revises allocations for housing opportunities for persons with AIDS grant recipients; establishes a hybrid adjustable rate mortgage program; and modifies certain premium structures related to certain single-family mortgage programs.

Language is included under Chemical Safety and Hazard Investigation Board, salaries and expenses, which limits certain personnel employed by the Board.

Language is included under Department of the Treasury, Community Development Financial Institutions, community development financial institution program account, which sets aside funds for various purposes.

Language is included under the Court of Appeals for Veterans Claims, salaries and expenses, permitting the use of funds for a pro bono program.

Language is included under Department of Health and Human Services, Agency for Toxic Substances and Disease Registry, toxic substances and environmental public health, limiting availability of funds for toxicological profiles.

Language is included under the Environmental Protection Agency, environmental programs and management, which limits use of funds, and expands the use of funds awarded for certain programs.

Language is included under the Environmental Protection Agency, administrative provisions, which permits the Administrator to award cooperative agreements to Indian Tribes or Intertribal consortia under certain circumstances, and which authorizes for one year a pesticide maintenance fee.

Language is included under the Council on Environmental Quality, which limits the size of the Council.

Language is included under the Federal Emergency Management Agency, emergency management planning and assistance, which authorizes the director of FEMA to provide consolidated emergency management performance grants.

Language is included under the Federal Emergency Management Agency, emergency food and shelter, limiting administrative expenses.

Language is included under the Federal Emergency Management Agency, national flood insurance fund, which limits administrative expenses, program costs, and the amount available for repayment of debt. Language is also included which extends the authorization for the program.

Language is included under the Federal Emergency Management Agency, national flood insurance fund, which establishes a fund for flood mitigation activities.

Language is included under the General Services Administration, Federal Consumer Information Center, limiting certain fund and administrative expenses.

Language is included under the National Aeronautics and Space Administration, administrative provision, extending the availability of construction of facility funds, permitting funds for contracts for various services in the next year, and transferring of prior year appropriations to the appropriate new appropriations accounts.

Language is included under the National Credit Union Administration, central liquidity facility, limiting loans from borrowed funds and administrative expenses.

Language is included under the National Science Foundation, research and related activities, providing for the use of receipts from other research facilities, requiring under certain circumstances proportional reductions in legislative earmarkings, and use of funds.

Language is included under the National Science Foundation, education and human resources activities, requiring under certain circumstances proportional reductions in legislative earmarkings.

APPROPRIATIONS NOT AUTHORIZED BY LAW

Pursuant to clause 3(f)(1) of rule XIII of the Rules of the House of Representatives, the following table lists the agencies in the accompanying bill which contain appropriations that are not authorized by law:

Agency/Program	Last year of authorization	Authorization level	Appropriation in last year of authorization	Appropriation this bill
DEPARTMENT OF VETERANS AFFAIRS				
Construction, Major: Miami, Florida project only				$28,000
Facility Rehabilitation Fund				300,000
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Housing Certificate Fund:				
Section 8 contract renewals	1994	$8,446,173	$5,458,106	15,076,853
Section 441 contracts	1994	109,410	150,000	10,300
Section 23 leased housing conversions	1994	13,303		500
Section 8 preservation, protection, and family unification	1994	759,259	541,000	202,842
Incremental Vouchers	1994	2,060,725		197,246
Contract Administrators				195,601
Native American Housing Block Grant	2001	Such sums	636,000	648,570
Housing Opportunities for Persons with AIDS	1994	156,300	156,000	277,432
Community Development Fund:				
Community Development Block Grants	1994	4,168,000	4,380,000	4,399,300
Housing Assistance Council				3,300
Native American Indian Housing Council				2,794
National Housing Development Corporation				5,000
National Council on La Raza HOPE Fund				5,000
Self-Help Housing Opportunity Program	2000	Such sums	20,000	22,956
Capacity Building	1994	25,000	20,000	29,387
Neighborhood Initiatives				25,000
YouthBuild	1994	41,680	28,000	59,868
HOME Investment partnerships	1994	2,173,612	1,275,000	1,996,040
Homeless Assistance Grants	1994	465,774	599,000	1,027,745
FHA General and Special Risk Program Account:				
Limitation on guaranteed loans	1995	Such sums	(20,885,072)	(21,000,000)
Limitation on direct loans	1995	Such sums	(220,000)	(50,000)
Credit Subsidy	1995	Such sums	188,395	15,000
Administrative Expenses	1995		197,470	144,000
GNMA Mortgage-Backed Securities Loan Guarantee Program Account:				
Limitation on guaranteed loans	1996	(110,000,000)	(110,000,000)	(200,000,000)
Administrative Expenses	1996	Such sums	9,101,000	9,383,000
Policy Development and Research	1994	36,470	35,000	46,900
Fair Housing Activities, Fair Housing Initiatives Program	1994	26,000	20,481	19,449
Lead Hazards Reduction Program	1994	276,000	185,000	109,758
Salaries and Expenses	1994	1,029,496	916,963	1,097,257
Community Development Financial Institutions Fund	1998	111,000	80,000	80,000

Agency/Program	Last year of authorization	Authorization level	Appropriation in last year of authorization	Appropriation this bill
Neighborhood Reinvestment Corporation	1994	30,714	32,000	105,000
Consumer Product Safety Commission	1992	45,000	40,200	54,000
Federal Consumer Information Center Fund:				
Federal information Center	1980	7,000	4,492	3,447
Consumer Information Center Fund	1970	Not applicable	0	3,829
National Credit Union Administration, loan fund	Not available	0	0	1,000
ENVIRONMENTAL PROTECTION AGENCY				
Categorical Grants:				
Clean Air Act	FY 1997	Such sums	167,230	
Radon Abatement Act	FY 1991	10,000	9,000	
Clean Water Act (FWPCA)	FY 1990–91	.....	.....	
BEACH Act	FY 2005	30,000	.....	
Safe Drinking Water Act	FY 2003	115,000	.....	
Solid Waste Disposal Act (RCRA)	FY 1988	70,000	71,391	
Toxic Substances Control Act	FY 1983	1,500	5,100	
Pollution Prevention Act	FY 1993	8,000	6,800	
Indian Environmental General Assistance Program Act	FY 1998	Such sums	38,585	
Clean Water SRF	FY 1992	1,800,000	2,400,000	
Sewer Overflows	FY 2003	750,000	.....	
Drinking Water SRF	FY 2003	1,000,000	.....	
Alaskan Native Village	FY 1979	2,000	Not available	
Hazardous Substance Superfund	FY 1994	5,100,000	1,480,853	
LUST Trust Fund	FY 1988	10,000	14,400	
Oil Spills (FWPCA)	No expiration	35,000	15,000	
Science and Technology:				
Clean Air Act	FY 1997	Such sums	177,150	
Clean Water Act	FY 1990	159,520	27,028	
FIFRA	FY 1991	95,000 (part)	11,890	
Safe Drinking Water Act	FY 2003	Such sums	51,501	
ERDDA	FY 1981	1,115,591	217,828	
Office of Inspector General	No expiration	Such sums	34,019	

The statutory authority for appropriations in all eight of EPA's accounts is provided to the Agency through a wide variety of primarily media-specific statutes as shown in the following chart:

Section title	Statute section	Terms of authorization	Expiration
Federal Water Pollution Control Act			
Res., Invest., Train., Tech. Asst., Info. Activ	104(U)(1)	$22.77m, FY86–90	33,146.
Train. Progs. for Treat. Works Personnel	104(U)(2)	$3m, FY86–90	33,146.
Forecasting Manpower	104(U)(3)	$1.5m, FY86–90	33,146.
Agricul. Research	104(U)(4)	$10m, FY73–75	27,575.
Fresh Water Aquatic Ecosystems Res. Grants	104(U)(5)	$15m, FY73–75	27,575.
Thermal Discharge Cont	104(U)(6)	$10m, FY73–75	27,575.
Res., Dev., Demo. Grants Storm Water Poll. Cont	105(H)	$75m, FY73–75, 10% for 105(E).	27,575.
Grants for Pollution Control and Enforce	106(A)	$75m, FY86–90	33,146.
Mine Wtr. Poll. Control	107(E)	$30m, until expend	When expended.
Great Lakes Pollution Control Demo. Projects	108(C)	$20m, until expend	When expended.
Lake Erie Corp. of Eng. Deno. Project	108(E)	$5m, until expend	When expended.
.			
Train, Grts., Cont., Schol	112(C)	$7m, FY86–90	33,146.
Alaska Vill. Deno. Proj	113(D)	$2m	29,128.
In-Place Toxic Poll. Removal From Ports	115	$15m	When expended.
Hudson Say PCB Reclamation Demo. Proj	116(D)	$20m	Indefinite.
Chesapeake-Bay Program	117(D)	$3m, FY87–90	33,146.
		$10m for grants, FY87–90	33,146.
Great Lakes Program	118(g)	$11m, FY87–91 (30% to NOAA).	9/30/91.
Assur. for Every State	205(E)	$75m, FY79–90	9/30/90.
Reserve % for Admin. Specific Sections	205(G)	Limit subject to formula	No exp. date.
Set-Aside for Altern. Conv. Sewage Treat. Wrks	205(H)	Limit subject to formula	No exp. date.
Altern. and Innovative Technologies-Fed. Share	205(I)	Limit subject to formula	9/30/90.
Reserve Con. Grants for WQ Mgt. Planning	205(J)	Limit subject to formula	No exp. date.
Nonpoint Source Resrv	205(J)(5)	Limit subject to formula	No exp. date.
Sewage Covey. Cost NYC-NTWTON Treatment Plant	205(K)	Limit subject to formula	9/30/82.
Reim. for Treat. Works	206(E)	$2600m for 206(a)	When expended.
		$750m for 206(b)	When expended.
Grants for Construct. of Treatment Works	207	$1200m, FY89–90	9/30/90.
Grants to Areawide Waste Mgt. Agencies	208(F)(3)	such sums FY 83–90	9/30/90.

The statutory authority for appropriations in all eight of EPA's accounts is provided to the Agency through a wide variety of primarily media-specific statutes as shown in the following chart:

Section title	Statute section	Terms of authorization	Expiration
Corps of Eng. Program of Tech Asst	208(H)(2)	$50m, FY73–74	6/30/74.
DOI.Natl. Wetlands Inv	208(i)(2)	$6m	12/31/81.
Agri Contracts-Control Non-Point Source Poll	208(J)(9)	such sums FY83–90	9/30/90.
Water Resources Council Basin Planning	209(C)	$200m	When expended.
IAG Transf. to Supp. WQ	304(K)(3)	$100m, FY79–83	9/30/90.
		Such sums FY84–90	9/30/90.
Rev. Fund for Remov. of Oil or Haz. Sub. Progs	311 (K)	$35m	No exp. date.
Clean Lakes Grants	314(C)(2)	$30m, FY86–90 until expend	9/30/90.
Clean Lakes Demo. Proj	314(D)(4)	$40m	When expended.
Natl. Study Commission	315(H)	$17.25m	When expended.
Non-Point Source Mgt. Prog. Grants to States	319(J)	$130m, FY–91 until expend	9/30/91.
Sewage Sludge Studies	405(G)(2)	$5m, FY87	No exp. date.
Con. Grants—San Diego	510(J)	$600m, FY94	No exp. date.
Oakwood Beach/Red Hood	512(B)	$7m, FY87 and beyond	No exp. date.
Boston Harbor & Adj. Wtrs	513(D)	$100m, FY87	When expended.
San Diego Wastewater Reclamation Demo	514(C)	$2m, FY87 and beyond	No exp. date.
Des Moines Sewage Plnt	515(B)	$50m, FY87 and beyond	No exp. date.
General Authorization	517	$135m, FY86–90	9/30/90.
Studies of Wtr. Poll. Probs. in Aquifers	520(C)	$7m, FY87 and beyond	No exp. date.
Great Lakes Consumptv. Use Study	521(D)	$750k, FY87 and beyond	No exp. date.
Sulfide Corrosn. Study	522(D)	$1m, FY87 and beyond	No exp. date.
State Water Poll. Cont. Revolving Fund Auth	607	$1.8b, FY92	9/30/94.
Marine Prot. Rsrch. & Sanct. Act			
Ocean Dumping Ban Act			
For Title I	111	$14m, FY94–97	When expended.
Clean Air Act			
General Authorization	327(A)	Such sums FY90–97	9/30/97.
Local Impl. Revisn. Grants	327(A)(1)	$50m, FY91	9/30/91.
FIFRA—Food Quality Protection Act			
Gen. Authorization/Res	31	$95m, FY91	9/30/91.

Asbestos School Hazards Abatement Act			
Asbestos Hazard Emergency Response Act			
General Authorization	512	$100m, FY85–90	9/30/90.
Estab. Trust Fund for Collect. Loan Repayments	4(A)/5(E)	$25m, FY87–90	No date spec.
Resource Conserv. & Recov. Act			
Solid Waste Disposal Act			
Tire Shredding Grants	2004	$750K, FY78–79	9/30/79.
General Authorization	2007(A)	$80m, FY88	9/30/88.
Criminal Investigators	2007(E)	$2.529m, FY88	9/30/88.
Undrgrnd. Storg. Tank Reg	2007(F)(1)	$10m, FY85–88	9/30/88.
St. Asst.-UST Prog. Dev	2007(F)(2)	$25m, FY85–88	9/30/88.
St. Haz. Wst. Prog. Grants	3011(A)	$60m, FY88	9/30/88.
Grants to States for Invntory Haz. Wst. Sites	3012	$25m, FY85–88	9/30/88.
Solid Wst. Prog. St. Grts	4008(A)(1)	$10m, FY85–88	9/30/88.
Grants for Studies & Market Analysis	4008(A)(2)(D)	$10m, FY85–88	9/30/88.
St. Asst. for Provisns. Relt. to Recycled Oil	4008(A)(3)(A)	$4m, FY82–86	9/30/86.
Spec. Communities Disposal Site Grants	4008(E)(2)	$500K, FY85–88	9/30/88.
Municip. Asst. for Enrgy. Conserv. & Recov. Plang	4008(F)(2)	$8m, FY82–86	9/30/86.
St. Asst. for Recycled Oil Programs	4008(G)(4)	$5m, FY85–88	9/30/88.
Rural Community Grants	4009(D)	$15m, FY81–82	9/30/82.
Dept. of Commerce Funct	5006	$1.5m, FY85–88	9/30/88.
Resource Conserv. Comm	8002(J)(5)	$2m	When expended.
Drilling Fluids. Study	8002(M)	$1m	When expended.
Special Studies	8002(Q)	$8m, FY78–79	7/30/91
Res., Training & Info	8007	$35m, FY78	9/30/79.
Medical Waste Tracking. Demo. Program	11012	Such sums FY89–91	9/30/78.
Natl. Ground Water Comm	704(I) Title VII	$7m, FY85–87	1/11/87.
Safe Drinking Water Act			
Health Risk Red. & Cost Analysis in Regulation Dev	1412(b)(3)(C)(iv)	$35m, FY96–03	9/30/03.
Arsenic and Sulfate Studies	1412(b)(12)(A)(vi)	$2.5m, FY97–00	9/30/00.
Small Systems Operator Certification Grants	1419(d)(3)	$30m, FY97–03	9/30/03.
Small PWS Technology Assistance Centers Grants	1420(f)(6)	$2m, FY97–99	9/30/99.
		$5m, FY00–03	9/30/03.
Environmental Finance Centers	1420(g)(4)	$1.5m, FY97–03	9/30/03.
Sole Source Aquifer Demonstration Program	1427(m)	$15m, FY92–03	9/30/03.
State Programs to Establish Wellhead Prot. Areas	1428(k)	$30m, FY92–03	9/30/03.
State Ground Water Protection Grants	1429(f)	$15m, FY97–03	9/30/03.
Tech. Assist. for Small Systems Circuit Rider	1442(e)	$15m, FY97–03	9/30/03.

The statutory authority for appropriations in all eight of EPA's accounts is provided to the Agency through a wide variety of primarily media-specific statutes as shown in the following chart:

Section title	Statute section	Terms of authorization	Expiration
Emergency Assistance to States (1442(a)(2)(B))	1442(d)	$8,050k, FY91	9/30/91.
Research, Tech. Assist., Info., Trng of Personnel	1442(d)	$38,020k, FY91	9/30/91.
Grants for State Public Water	1443(a)(7)	$100m, FY97–03	9/30/03.
Underground Injection Control Grants	1443(b)(5)	$15m, FY92–03	9/30/03.
New York Watershed Protection Program	1443(d)(4)	$15m, FY97–03	9/30/03.
Special Study and Demonstration Grants	1444(c)	$10m	6/30/77.
Grants to Public Sector Agencies for Dev. & Demo. Proj	42 U.S.C. (300j–3a(c)1)	$25m	9/30/78.
Monitoring Program for Unregulated Contaminants	1445(a)(2)(H)	$10m, FY97–03	9/30/03.
Capitalization of Drinking Water SRFs	1452(m)	$1b, FY95–03	9/30/03.
Grants to Sppt State Source WQ Prot. Partnership Prog	1454(e)	$5m, FY97–03	9/30/03.
Drinking Water Assistance to Colonias	1456(e)	$25m, FY97–99	9/30/99.
Studies on Harmful Substances in Drinking Water	1458(c)(3)	$12.5m, FY97–03	9/30/03.
Waterborne Disease Occurrence Study	1458(d)(3)	$3m, FY97–01 (with limitations).	9/30/01.
Grants to States for Remedying School Drinking Water	1465(c)	$30m, FY91	9/30/91.
General Drinking Water Research Authorization	201	Such sums (not to exc. $26.593m).	9/30/03.
Grants to Alaska to Improve Sanitation	303(e)	$15m, FY97–00	9/30/00.
Wastewater Assistance to Colonias	307(e)	$25m, FY97–99	9/30/99.
Grants for Water Supply Sys. & Source WQ Prot. Progs.	401(d)	$25m, FY97–03 uncondit. auth. $25m, FY97–03 condit. auth.	9/30/03.
Pollution Prevention Act			
EPA Activities—Source Reduct	6610	$8m, FY91–93	9/30/93.
State Grants for Tech. Assist	6610	$8m, FY91–93	9/30/93.
Noise Control Act			
Res., Dev.—Low Noise Prod	15(G)	$2.42m, FY77	9/30/77.
General Authorization	19	$15m, FY79	9/30/79.
Envir. Research., Development., & Demo Act			
EPA Environ. Reserach & Dev. Activities	2		9/30/81.

Health and Ecological Effects program	2 CAA	$45.2m, FY81	
Industrial Processes program		$4.1m, FY81.	
Monitoring and Technical Support		$20.8m, FY81.	
Health and Ecological Effects	2 CWA	$23.8m, FY81.	
Industrial Processes		$13.7m, FY81.	
Public Sector Activities		$14.3m, FY81.	
Monitoring and Technical Support		$12.1m, FY81.	
Health and Ecological Effects	2 SDWA	$12.36m, FY81.	
Public Sector Activities		$14.08m FY81	
Monitoring and Technical Support		$1.008m FY81	
	2 SWDA	$26.446m FY81	
Health and Ecological Effects	2 PHSA	$2.99m FY81	
Monitoring and Technical Support		$191m FY81	
Health and Ecological Effects	2 IA	$5.232m FY81	
Monitoring and Technical Support		$2.868m FY81	
Anticipatory Research		$14.745m FY81	
Health and Ecological Effects	2 FIFRA	$5.97m FY81	
Industrial Processes		$2.9m FY81	
Monitoring and Technical Support		$565k FY81	
Health and Ecological Effects	2 TSCA	$31.87m FY81	
Industrial Process		$1.77m FY81	
Monitoring and Technical Support		$3.247m FY81	
Health and Ecological Effects	2 EA	$50.096m FY81	
Energy Control		$57.503m FY81	
Program Management	2 EPA	$4.666m FY81	
Inspector General Act			
OIG Approp. Accounts	108	Amounts as appropriated	No exp. date.
Toxic Substances Control Act			
Radon Abatement Act			
TSCA Research & Dev	10		9/30/81.
State Programs	28(D)	$1.5m, FY82–83	9/30/83.
General Authorization	29(D)	$58.646m FY82, $62m, FY–83.	9/30/83.
Radon Profic. Rating	305(E)	$1.5m	When expended.
Citizen Guide, Model Constr. Stds., Tech. Asst	305(F)	$3m, FY89–91	9/30/91.
Radon St. Prog. Grants	306(J)	$10m, FY89–91	9/30/91.
Radon Diag./Remedial in High-Risk Schools	307(B)	$1m & 500k (diag. & remed.).	When expended.
Region. Radon Trng. Ctrs	308(F)	$1m, FY89–91	9/30/91.

The statutory authority for appropriations in all eight of EPA's accounts is provided to the Agency through a wide variety of primarily media-specific statutes as shown in the following chart:

Section title	Statute section	Terms of authorization	Expiration
Comp. Env. Response, Compensation & Liability Act			
Superfund Amend. & Reauth. Act			
Emergency Plan. & Community Right to Know Act			
Limit. on Sec. 515/516	111(A)	$5.1b, FY91–94	9/30/94.
Pilot Proj. for Removal of Lead Contam. Soil	111(A)(6)	$15b	No exp. date.
Worker Train. & Ed. Grts	111(C)(12)	$20m, FY87–94	9/30/94.
Agency—Tox. Sub. Disease	111(M)	$60m, FY90–94	9/30/94.
Limit. on Rad. Demo. Prog	111(N)(1)	$20m, FY87–94	9/30/94.
Limit. on Maz. Sub. R&D, Demo, and Training Activ	111(N)(2)	$35m, FY91–94	9/30/94.
Gulf Coast Haz. Sub. R&D, and Demo. Center	118(i)(4)	$5m, FY87 and thereafter	No exp. date.
Pacific Northwest Haz. Sub. R&D and Demo. Centr	118(O)(5)	$5m, FY87 and thereafter	No exp. date.
Emer. Trng. & Review of Emer. Systems—St. & Locl	305(A)(2)	$5m, FY87–90	9/30/90.
Gen. Auth. T–111 Emer. Plan. Comm. Right to Knw	330	Such sums beginning FY87	No exp. date.

COMPARISON WITH BUDGET RESOLUTION

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344) requires that the report accompanying a bill providing new budget authority contain a statement detailing how the authority compares with the reports submitted under section 302(b) of the Act for the most recently agreed to concurrent resolution of then budget for the fiscal year. This information follows:

[In millions of dollars]

	302(b) allocation—		This bill	
	Budget authority	Outlays	Budget authority	Outlays
Discretionary	$84,134	$88,037	$85,433	$88,037
Mandatory	26.453	26,255	26,453	26,255

Note.—The amounts in this bill are technically in excess of the subcommittee section 302(b) suballocation. However, pursuant to section 314 of the Congressional Budget Act of 1974, as amended, increases to the Committee's section 302(a) allocation are authorized for funding in the reported bill for spending designated as emergency. After the bill is reported to the House, the Chairman of the Committee on the Budget will provide an increased section 302(a) allocation consistent with the funding provided in the bill. That new allocation will eliminate the technical difference prior to floor consideration.

FIVE-YEAR OUTLAY PROJECTIONS

In accordance with section 308(a)(1)(B) of the Congressional Budget and Impoundment Control Act of 1974, (Public Law 93–344), as amended, the following information was provided to the Committee by the Congressional Budget Office:

	Millions
Budget Authority in bill	$111,317
Outlays:	
2002	64,409
2003	25,908
2004	8,556
2005	4,361
2006	3,221

FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(C) of the Congressional Budget and Impoundment Control Act of 1974, (Public Law 93–344), as amended, the Congressional Budget Office has provided the following estimate of new budget authority and outlays provided by the accompanying bill for financial assistance to state and local governments:

	Millions
Budget Authority	30,830
Fiscal year 2002 outlays resulting therefrom	5,808

BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT

During fiscal year 2002 for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177), the following information provides the definition of the term "program, project, and activity" for departments and agencies carried in the accompanying bill. The term "program, project, and activity" shall include the most specific level of budget items identified in the 2002 Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, the accompanying House and Senate reports, the conference report of the

joint explanatory statement of the managers of the committee of conference.

In applying any sequestration reductions, departments and agencies shall apply the percentage of reduction required for fiscal year 2002 pursuant to the provisions of Public Law 99–177 to each program, project, activity, and subactivity contained in the budget justification documents submitted to the Committees on Appropriations of the House and Senate in support of the fiscal year 2002 budget estimates, as amended, for such departments and agencies, as subsequently altered, modified, or changed by Congressional action identified by the aforementioned Act, resolutions and reports. Further, it is intended that in implementing any Presidential sequestration order, (1) no program, project, or activity should be eliminated, (2) no reordering of funds or priorities occur, and (3) no unfunded program execution, it is not intended that normal reprogramming between programs, projects, and activities be precluded after reductions required under the Balanced Budget and Emergency Deficit Control Act are implemented.

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NO. 1

Date: July 17, 2001.

Measure: VA, HUD, and Independent Agencies Appropriations Bill, FY 2002.

Motion by: Mr. Obey.

Description of Motion: To increase funding by $1,000,000,000 for five specific programs, including veterans medical care, HUDF's public housing capital fund and shelter plus care programs, EPA's federal enforcement program, and the Corporation for National Service, and to increase the top income tax rate from 38.6 percent to 39.1 percent.

Results: Rejected 24 yeas to 29 nays.

Members Voting Yea	Members Voting Nay
Mr. Boyd	Mr. Aderholt
Mr. Clyburn	Mr. Bonilla
Mr. Dicks	Mr. Doolittle
Mr. Edwards	Mr. Frelinghuysen
Mr. Farr	Mr. Goode
Mr. Fattah	Mr. Hobson
Mr. Hinchey	Mr. Istook
Mr. Hoyer	Mr. Kingston
Ms. Kaptur	Mr. Knollenberg
Mr. Kennedy	Mr. Kolbe
Ms. Kilpatrick	Mr. LaHood
Mrs. Lowey	Mr. Latham
Mrs. Meek	Mr. Lewis
Mr. Mollohan	Mr. Miller
Mr. Murtha	Mr. Nethercutt
Mr. Obey	Mrs. Northup
Mr. Olver	Mr. Peterson
Mr. Pastor	Mr. Regula
Mr. Price	Mr. Sherwood
Mr. Rothman	Mr. Skeen
Ms. Roybal-Allard	Mr. Sununu
Mr. Sabo	Mr. Sweeney
Mr. Serrano	Mr. Taylor
Mr. Visclosky	Mr. Tiahrt
	Mr. Vitter
	Mr. Walsh
	Mr. Wicker
	Mr. Wolf
	Mr. Young

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NO. 2

Date: July 17, 2001.

Measure: VA, HUD, and Independent Agencies Appropriations Bill, FY 2002.

Motion by: Mr. Hinchey.

Description of Motion: To authorize a program within the Department of Housing and Urban Development to reduce home down payment requirements for certain teachers and public safety officers.

Results: Rejected 26 yeas to 32 nays.

Members Voting Yea	Members Voting Nay
Mr. Boyd	Mr. Aderholt
Mr. Clyburn	Mr. Bonilla
Mr. Cramer	Mr. Callahan
Ms. DeLauro	Mr. Cunningham
Mr. Dicks	Mr. DeLay
Mr. Farr	Mr. Doolittle
Mr. Fattah	Mr. Frelinghuysen
Mr. Hinchey	Mr. Goode
Mr. Hoyer	Ms. Granger
Mr. Jackson	Mr. Hobson
Ms. Kaptur	Mr. Istook
Mr. Kennedy	Mr. Kingston
Ms. Kilpatrick	Mr. Knollenberg
Mrs. Meek	Mr. Kolbe
Mr. Mollohan	Mr. Latham
Mr. Moran	Mr. Lewis
Mr. Obey	Mr. Miller
Mr. Olver	Mr. Nethercutt
Mr. Pastor	Mrs. Northup
Ms. Pelosi	Mr. Regula
Mr. Price	Mr. Rogers
Mr. Rothman	Mr. Sherwood
Ms. Roybal-Allard	Mr. Skeen
Mr. Sabo	Mr. Sununu
Mr. Serrano	Mr. Sweeney
Mr. Visclosky	Mr. Taylor
	Mr. Vitter
	Mr. Walsh
	Mr. Wamp
	Mr. Wicker
	Mr. Wolf
	Mr. Young

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NO. 3

Date: July 17, 2001.

Measure: VA, HUD, and Independent Agencies Appropriations Bill, FY 2002.

Motion by: Ms. Kaptur.

Description of Motion: To increase funding by $25,000,000 for HUD's rural housing and economic development program, and to reduce funding by $25,000,000 for the Downpayment Assistance Initiative in the HOME investment partnership program.

Results: Rejected 25 yeas to 31 nays.

Members Voting Yea	Members Voting Nay
Mr. Boyd	Mr. Aderholt
Mr. Clyburn	Mr. Bonilla
Mr. Cramer	Mr. Callahan
Ms. DeLauro	Mr. DeLay
Mr. Dicks	Mr. Doolittle
Mr. Farr	Mr. Frelinghuysen
Mr. Fattah	Mr. Goode
Mr. Hinchey	Ms. Granger
Mr. Hoyer	Mr. Hobson
Mr. Jackson	Mr. Istook
Ms. Kaptur	Mr. Kingston
Mr. Kennedy	Mr. Knollenberg
Ms. Kilpatrick	Mr. Kolbe
Mrs. Lowey	Mr. LaHood
Mrs. Meek	Mr. Latham
Mr. Mollohan	Mr. Lewis
Mr. Moran	Mr. Miller
Mr. Obey	Mr. Nethercutt
Mr. Olver	Mrs. Northup
Mr. Pastor	Mr. Regula
Mr. Rothman	Mr. Sherwood
Ms. Roybal-Allard	Mr. Skeen
Mr. Sabo	Mr. Sununu
Mr. Serrano	Mr. Sweeney
Mr. Visclosky	Mr. Taylor
	Mr. Vitter
	Mr. Walsh
	Mr. Wamp
	Mr. Wicker
	Mr. Wolf
	Mr. Young

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NO. 4

Date: July 17, 2001.

Measure: VA, HUD, and Independent Agencies Appropriations Bill, FY 2002.

Motion by: Ms. Kaptur.

Description of Motion: To increase funding by $175,000,000 for HUD's drug elimination grant program, and to reduce funding by $175,000,000 for the Downpayment Assistance Initiative in the HOME investment partnership program.

Results: Rejected 27 yeas to 31 nays.

Members Voting Yea	Members Voting Nay
Mr. Boyd	Mr. Aderholt
Mr. Clyburn	Mr. Bonilla
Mr. Cramer	Mr. Callahan
Mr. Cunningham	Mr. DeLay
Ms. DeLauro	Mr. Doolittle
Mr. Dicks	Mr. Frelinghuysen
Mr. Farr	Mr. Goode
Mr. Fattah	Ms. Granger
Mr. Hinchey	Mr. Hobson
Mr. Jackson	Mr. Istook
Ms. Kaptur	Mr. Knollenberg
Mr. Kennedy	Mr. Kolbe
Ms. Kilpatrick	Mr. LaHood
Mr. Kingston	Mr. Latham
Mrs. Meek	Mr. Lewis
Mr. Mollohan	Mr. Miller
Mr. Obey	Mr. Nethercutt
Mr. Olver	Mrs. Northup
Mr. Pastor	Mr. Regula
Ms. Pelosi	Mr. Rogers
Mr. Price	Mr. Skeen
Mr. Rothman	Mr. Sununu
Ms. Roybal-Allard	Mr. Sweeney
Mr. Sabo	Mr. Taylor
Mr. Serrano	Mr. Tiahrt
Mr. Sherwood	Mr. Vitter
Mr. Visclosky	Mr. Walsh
	Mr. Wamp
	Mr. Wicker
	Mr. Wolf
	Mr. Young

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2001 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2002

(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE I					
DEPARTMENT OF VETERANS AFFAIRS					
Veterans Benefits Administration					
Compensation and pensions	22,766,276	24,944,288	24,944,288	+2,178,012	.....
Readjustment benefits	1,634,000	2,135,000	2,135,000	+501,000	.....
Veterans insurance and indemnities	19,850	26,200	26,200	+6,350	.....
Veterans housing benefit program fund program account (indefinite)	165,740	203,278	203,278	+37,538	.....
(Limitation on direct loans)	(300)	(300)	(300)	.....	.....
Administrative expenses	162,000	164,497	164,497	+2,497	.....
Administrative savings from prohibiting new Vendee Home Loans	.....	-1,000	.....	.....	+1,000
Education loan fund program account	1	1	1	.....	.....
(Limitation on direct loans)	(3)	(3)	(3)	.....	.....
Administrative expenses	220	64	64	-156	.....
Vocational rehabilitation loans program account	52	72	72	+20	.....
(Limitation on direct loans)	(2,726)	(3,301)	(3,301)	(+575)	.....
Administrative expenses	432	274	274	-158	.....
Native American Veteran Housing Loan Program Account	532	544	544	+12	.....
Total, Veterans Benefits Administration	24,749,103	27,473,218	27,474,218	+2,725,115	+1,000

Veterans Health Administration					
Medical care	19,381,587	20,304,742	20,381,587	+1,000,000	+76,845
Delayed equipment obligation	900,000	675,000	900,000	.....	+225,000
Total	20,281,587	20,979,742	21,281,587	+1,000,000	+301,845
(Transfer to general operating expenses)	(-28,134)	.....	.....	(+28,134)	.....
(Transfer to Parking revolving fund)	(-2,000)	.....	.....	(+2,000)	.....
Medical care cost recovery collections:					
Offsetting receipts	-639,000	-691,000	-812,000	-173,000	-121,000
Appropriations (indefinite)	639,000	691,000	812,000	+173,000	+121,000
Total available (excludes offsetting receipts)	20,920,587	21,670,742	22,093,587	+1,173,000	+422,845
Medical and prosthetic research	351,000	360,237	371,000	+20,000	+10,763
Medical administration and miscellaneous operating expenses	62,000	67,628	66,731	+4,731	-897
Total, Veterans Health Administration	20,694,587	21,407,607	21,719,318	+1,024,731	+311,711
Departmental Administration					
General operating expenses	1,050,000	1,194,831	1,195,728	+145,728	+897
Offsetting receipts	(36,520)	.....	.....	(-36,520)	.....
Total, Program Level	(1,086,520)	(1,194,831)	(1,195,728)	(+109,208)	(+897)
(Transfer from medical care)	(28,134)	.....	.....	(-28,134)	.....
(Transfer from national cemetery)	(125)	.....	.....	(-125)	.....
(Transfer from inspector general)	(28)	.....	.....	(-28)	.....
National Cemetery Administration	109,889	121,169	121,169	+11,280	.....
(Transfer to general operating expenses)	(-125)	.....	.....	(+125)	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2001 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2002—Continued

(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	Bill	Bill vs. Enacted	Bill vs. Request
Office of Inspector General	46,464	48,308	52,308	+5,844	+4,000
(Transfer to general operating expenses)	(-28)	.....	.....	(+28)	.....
Construction, major projects	66,040	183,180	183,180	+117,140	.....
Facility rehabilitation fund	.....	.....	300,000	+300,000	+300,000
Construction, minor projects	162,000	178,900	178,900	+16,900	.....
Miscellaneous appropriations (P.L. 106-554)	8,840	.....	.....	-8,840	.....
(Transfer to Parking Revolving Fund)	(-4,500)	.....	.....	(+4,500)	.....
Total	170,840	178,900	178,900	+8,060	.....
Grants for construction of State extended care facilities	100,000	50,000	100,000	.....	+50,000
Grants for the construction of State veterans cemeteries	25,000	25,000	25,000	.....	.....
(Transfer to Parking Revolving Fund)	(6,500)	.....	.....	(-6,500)	.....
Parking Revolving Fund	.....	4,000	4,000	+4,000	.....
Total, Departmental Administration	1,568,233	1,805,388	2,160,285	+592,052	+354,897
Total, title I, Department of Veterans Affairs	47,011,923	50,686,213	51,353,821	+4,341,898	+667,608
(Limitation on direct loans)	(3,029)	(3,604)	(3,604)	(+575)	.....
Consisting of:					
Mandatory	(24,585,866)	(27,308,766)	(27,308,766)	(+2,722,900)	.....
Discretionary	(22,426,057)	(23,377,447)	(24,045,055)	(+1,618,998)	(+667,608)

TITLE II					
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Public and Indian Housing					
Housing Certificate Fund:					
Direct appropriation	9,740,907	15,717,392	11,494,242	+1,753,335	-4,223,150
Advance appropriations provided in previous acts	4,200,000	.....	4,200,000	.....	+4,200,000
Subtotal, discretionary	13,940,907	15,717,392	15,694,242	+1,753,335	-23,150
(Advance appropriation)	(4,200,000)	.....	(4,200,000)	.....	(+4,200,000)
(Mandatory reclassification of prior year advance)	.....	(4,200,000)	.....	.....	(-4,200,000)
Rescission of unobligated balances:					
Section 8 recaptures (rescission)	-1,833,000	.....	-886,000	+947,000	-886,000
Public housing capital fund	3,000,000	2,293,400	2,555,000	-445,000	+261,600
Public housing operating fund	3,242,000	3,384,868	3,494,868	+252,868	+110,000
Subtotal	6,242,000	5,678,268	6,049,868	-192,132	+371,600
Drug elimination grants for low-income housing	310,000	.....	.....	-310,000	.....
Revitalization of severely distressed public housing (HOPE VI)	575,000	573,735	573,735	-1,265	.....
Native American housing block grants	650,000	648,570	648,570	-1,430	.....
Indian housing loan guarantee fund program account	6,000	5,987	5,987	-13	.....
(Limitation on guaranteed loans)	(71,956)	(234,283)	(234,283)	(+162,327)	.....
Total, Public and Indian Housing	19,890,907	22,623,952	22,086,402	+2,195,495	-537,550

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2001 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2002—Continued

(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	Bill	Bill vs. Enacted	Bill vs. Request
Community Planning and Development					
Housing opportunities for persons with AIDS	258,000	277,432	277,432	+19,432	.....
Rural housing and economic development	25,000	.....	.....	-25,000	.....
Empowerment zones / enterprise communities	75,000	150,000	.....	-75,000	-150,000
Rural empowerment zones	15,000	.....	.....	-15,000	.....
Miscellaneous appropriations (P.L. 106-554)	110,000	.....	.....	-110,000	.....
Total	200,000	150,000	.....	-200,000	-150,000
Community development block grants	5,057,550	4,801,993	4,801,993	-255,557	.....
Miscellaneous appropriations (P.L. 106-554)	66,128	.....	.....	-66,128	.....
Section 108 loan guarantees:					
(Limitation on guaranteed loans)	(1,261,000)	(608,696)	(608,696)	(-652,304)	.....
Credit subsidy	29,000	14,000	14,000	-15,000	.....
Administrative expenses	1,000	1,000	1,000	.....	.....
Brownfields redevelopment	25,000	25,000	25,000	.....	.....
HOME investment partnerships program	1,800,000	1,796,040	1,996,040	+196,040	+200,000
Homeless assistance grants	1,025,000	1,022,745	1,027,745	+2,745	+5,000
Shelter Plus Care	100,000	99,780	.....	-100,000	-99,780
Total, Community planning and development	8,586,678	8,187,990	8,143,210	-443,468	-44,780

Housing Programs					
Housing for special populations	996,000	1,001,009	1,024,151	+28,151	+23,142
Housing for the elderly	(779,000)	(783,286)	(783,286)	(+4,286)	.....
Housing for the disabled	(217,000)	(217,723)	(240,865)	(+23,865)	(+23,142)
Manufactured housing fees trust fund	.....	17,254	13,566	+13,566	-3,688
Offsetting collections	.....	-17,254	-13,566	-13,566	+3,688
Savings from canceling S.1029	.....	.....	-8,000	-8,000	-8,000
Federal Housing Administration					
FHA - Mutual mortgage insurance program account:					
(Limitation on guaranteed loans)	(160,000,000)	(160,000,000)	(160,000,000)	.....	.....
(Limitation on direct loans)	(250,000)	(250,000)	(250,000)	.....	.....
Administrative expenses	330,888	336,700	330,888	.....	-5,812
Negative subsidy 1/	-2,246,000	-2,323,000	-2,323,000	-77,000	.....
Administrative contract expenses	160,000	160,000	145,000	-15,000	-15,000
Additional contract expenses	4,000	1,000	.....	-4,000	-1,000
Streamlined down payment requirements	7,000	.....	.....	-7,000	.....
FHA - General and special risk program account:					
(Limitation on guaranteed loans)	(21,000,000)	(21,000,000)	(21,000,000)	.....	.....
(Limitation on direct loans)	(50,000)	(50,000)	(50,000)	.....	.....
Administrative expenses	211,455	216,100	211,455	.....	-4,645
Negative subsidy	-100,000	-225,000	-225,000	-125,000	.....
Subsidy	101,000	15,000	15,000	-86,000	.....
Guaranteed loans credit subsidy (emergency funding) (P.L. 106-554)	40,000	.....	.....	-40,000	.....
Non-overhead administrative expenses	144,000	144,000	139,000	-5,000	-5,000
Additional contract expenses	7,000	4,000	.....	-7,000	-4,000
Total, Federal Housing Administration	-1,340,657	-1,671,200	-1,706,657	-366,000	-35,457

1/ Not included in FY2001 CSBA tables.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2001 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2002—Continued

(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	Bill	Bill vs. Enacted	Bill vs. Request
Government National Mortgage Association					
Guarantees of mortgage-backed securities loan guarantee program account:					
(Limitation on guaranteed loans)	(200,000,000)	(200,000,000)	(200,000,000)	.....	.....
Administrative expenses	9,383	9,383	9,383	.....	.....
Offsetting receipts	-347,000	-382,000	-382,000	-35,000	.....
Policy Development and Research					
Research and technology	53,500	43,404	46,900	-6,600	+3,496
Fair Housing and Equal Opportunity					
Fair housing activities	46,000	45,899	45,899	-101	.....
Office of Lead Hazard Control and Healthy Homes					
Lead hazard reduction	100,000	109,758	109,758	+9,758	.....
Millenial Housing Commission					
Gifts and donations	.....	1,500	.....	.....	-1,500
Management and Administration					
Salaries and expenses	543,267	556,067	556,067	+12,800	.....
Transfer from:					
Limitation on FHA corporate funds	(518,000)	(530,457)	(520,000)	(+2,000)	(-10,457)
GNMA	(9,383)	(9,383)	(9,383)	.....	.....

Community Planning & Development	(1,000)	(1,000)	(1,000)	.....	.....
Title VI	(150)	(150)	(150)	.....	.....
Indian Housing	(200)	(200)	(200)	.....	.....
Total, Salaries and expenses	(1,072,000)	(1,097,257)	(1,086,800)	(+14,800)	(-10,457)
Office of Inspector General	52,657	61,555	61,555	+8,898	.....
(By transfer, limitation on FHA corporate funds)	(22,343)	(22,343)	(22,343)	.....	.....
(By transfer from Drug Elimination Grants)	(10,000)	.....	.....	(-10,000)	.....
(By transfer from Public Housing Oper Subsidy)	.....	(10,000)	(10,000)	(+10,000)	.....
Total, Office of Inspector General	(85,000)	(93,898)	(93,898)	(+8,898)	.....
Consolidated fee fund (rescission)	.....	-6,700	-6,700	-6,700	.....
Office of Federal Housing Enterprise Oversight	22,000	27,000	23,000	+1,000	-4,000
Offsetting receipts	-22,000	-27,000	-23,000	-1,000	+4,000
Total, title II, Department of Housing and Urban Development (net)	28,590,735	30,580,617	29,979,968	+1,389,233	-600,649
Appropriations	(30,423,735)	(30,587,317)	(30,872,668)	(+448,933)	(+285,351)
Rescissions	(-1,833,000)	(-6,700)	(-892,700)	(+940,300)	(-886,000)
(Limitation on direct loans)	(300,000)	(300,000)	(300,000)	.....	.....
(Limitation on guaranteed loans)	(382,332,956)	(381,842,979)	(381,842,979)	(-489,977)	.....
(Limitation on corporate funds)	(551,076)	(563,533)	(563,533)	(+12,457)	.....
TITLE III					
INDEPENDENT AGENCIES					
American Battle Monuments Commission					
Salaries and expenses	28,000	28,466	35,466	+7,466	+7,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2001 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2002—Continued
(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	Bill	Bill vs. Enacted	Bill vs. Request
Chemical Safety and Hazard Investigation Board					
Salaries and expenses	7,500	7,621	8,000	+500	+379
Department of the Treasury					
Community Development Financial Institutions					
Community development financial institutions fund program account	118,000	67,948	80,000	-38,000	+12,052
Consumer Product Safety Commission					
Salaries and expenses	52,500	54,200	54,200	+1,700	.....
Corporation for National and Community Service					
National and community service programs operating expenses	458,500	411,480	.....	-458,500	-411,480
Rescission	-30,000	.....	.....	+30,000	.....
Office of Inspector General	5,000	5,000	5,000	.....	.....
Total	433,500	416,480	5,000	-428,500	-411,480
Court of Appeals for Veterans Claims					
Salaries and expenses	12,445	13,221	13,221	+776	.....
Department of Defense - Civil					
Cemeterial Expenses, Army					
Salaries and expenses	17,949	18,437	22,537	+4,588	+4,100

Department of Health and Human Services					
National Institute of Health					
National Institute of Environmental Health Sciences	63,000	70,228	70,228	+7,228	.....
Centers for Disease Control and Prevention					
Agency for Toxic Substances and Disease Registry	75,000	78,235	78,235	+3,235	.....
Total, Department of Health and Human Services	138,000	148,463	148,463	+10,463	.....
Environmental Protection Agency					
Science and Technology	696,000	640,538	680,410	-15,590	+39,872
Miscellaneous appropriations (P.L. 106-554)	1,000	.....	.....	-1,000	.....
Transfer from Hazardous Substance Superfund	36,500	36,891	36,891	+391	.....
Subtotal, Science and Technology	733,500	677,429	717,301	-16,199	+39,872
Environmental Programs and Management	2,087,990	1,972,960	2,014,799	-73,191	+41,839
Office of Inspector General	34,094	34,019	34,019	-75	.....
Transfer from Hazardous Substance Superfund	11,500	11,867	11,867	+367	.....
Subtotal, OIG	45,594	45,886	45,886	+292	.....
Buildings and facilities	23,931	25,318	25,318	+1,387	.....
Hazardous Substance Superfund	1,170,000	1,268,135	1,170,000	.....	-98,135
Delay of obligation	100,000	.....	100,000	.....	+100,000
Transfer to Office of Inspector General	-11,500	-11,867	-11,867	-367	.....
Transfer to Science and Technology	-36,500	-36,891	-36,891	-391	.....
Subtotal, Hazardous Substance Superfund	1,222,000	1,219,377	1,221,242	-758	+1,865

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2001 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2002—Continued
(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	Bill	Bill vs. Enacted	Bill vs. Request
Leaking Underground Storage Tank Program	72,096	71,937	72,000	-96	+63
Oil spill response	15,000	14,967	15,000	.....	+33
State and Tribal Assistance Grants	2,620,740	2,232,943	2,355,000	-265,740	+122,057
Categorical grants	1,008,000	1,055,782	1,078,899	+70,899	+23,117
Subtotal, STAG	3,628,740	3,288,725	3,433,899	-194,841	+145,174
Total, EPA	7,828,851	7,316,599	7,545,445	-283,406	+228,846
Executive Office of the President					
Office of Science and Technology Policy	5,201	5,267	5,267	+66	.....
Council on Environmental Quality and Office of Environmental Quality	2,900	2,974	2,974	+74	.....
Total	8,101	8,241	8,241	+140	.....
Federal Deposit Insurance Corporation					
Office of Inspector General (transfer)	(33,660)	(33,660)	(33,660)	.....	.....
Federal Emergency Management Agency					
Disaster relief	300,000	1,369,399	1,369,399	+1,069,399	.....
(Transfer out)	(-2,900)	(-2,900)	(-2,900)	.....	.....
Contingent emergency funding	1,300,000	.....	1,300,000	.....	+1,300,000
Subtotal	1,600,000	1,369,399	2,669,399	+1,069,399	+1,300,000

Radiological emergency preparedness fund	.....	-1,000	-1,000	-1,000	.....
Disaster assistance direct loan program account:					
State share loan	1,678	405	405	-1,273	.....
(Limitation on direct loans)	(25,000)	(25,000)	(25,000)	.....	.....
Administrative expenses	427	543	543	+116	.....
Salaries and expenses	187,000	203,801	197,900	+10,900	-5,901
Defense function	28,000	30,000	30,000	+2,000	.....
Subtotal	215,000	233,801	227,900	+12,900	-5,901
Office of Inspector General	10,000	10,303	10,303	+303	.....
Emergency management planning and assistance	249,652	334,623	384,623	+134,971	+50,000
Defense function	20,000	20,000	20,000	.....	.....
Miscellaneous appropriations (P.L. 106-554)	100,000	.....	.....	-100,000	.....
Subtotal	369,652	354,623	404,623	+34,971	+50,000
(By transfer)	(2,900)	(2,900)	(2,900)	.....	.....
Emergency food and shelter program	140,000	139,692	140,000	.....	+308
National Flood Insurance Fund:					
(Limitation on administrative expenses):					
Salaries and expenses 1/	25,736	28,798	28,798	+3,062	.....
Flood mitigation 1/	77,307	76,381	76,381	-926	.....
(Transfer out)	(-20,000)	(-20,000)	(-20,000)	.....	.....

1/ FY2001 funding scored as non-add.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2001 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2002—Continued

(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	Bill	Bill vs. Enacted	Bill vs. Request
National Flood Migration Fund (by transfer)	(20,000)	(20,000)	(20,000)	.....	.....
Total, Federal Emergency Management Agency	2,439,800	2,212,945	3,557,352	+1,117,552	+1,344,407
Appropriations	(1,139,800)	(2,212,945)	(2,257,352)	(+1,117,552)	(+44,407)
Emergency funding	(1,300,000)	.....	(1,300,000)	.....	(+1,300,000)
General Services Administration					
Federal Consumer Information Center Fund	7,122	7,276	7,276	+154	.....
National Aeronautics and Space Administration					
Human space flight	5,462,900	7,296,000	7,047,400	+1,584,500	-248,600
Crew return vehicle	.....	.....	275,000	+275,000	+275,000
Science, aeronautics and technology	6,190,700	7,191,700	7,605,300	+1,414,600	+413,600
Mission support	2,608,700	.....	.....	-2,608,700	.....
Office of Inspector General	23,000	23,700	23,700	+700	.....
Total, NASA	14,285,300	14,511,400	14,951,400	+666,100	+440,000
National Credit Union Administration					
Central liquidity facility:					
(Limitation on direct loans)	(1,500,000)	(1,500,000)	(1,500,000)	.....	.....
(Limitation on administrative expenses, corporate funds)	(296)	(309)	(309)	(+13)	.....
Revolving loan program	1,000	1,000	1,000	.....	.....

National Science Foundation					
Research and related activities	3,287,000	3,263,981	3,579,340	+292,340	+315,359
Defense function	63,000	63,000	63,000	.....	.....
Subtotal	3,350,000	3,326,981	3,642,340	+292,340	+315,359
Major research equipment	121,600	96,332	135,300	+13,700	+38,968
Education and human resources	787,352	872,407	885,720	+98,368	+13,313
Salaries and expenses	160,890	170,040	170,040	+9,150	.....
Office of Inspector General	6,280	6,760	6,760	+480	.....
Total, NSF	4,426,122	4,472,520	4,840,160	+414,038	+367,640
Neighborhood Reinvestment Corporation					
Payment to the Neighborhood Reinvestment Corporation	90,000	95,000	105,000	+15,000	+10,000
Selective Service System					
Salaries and expenses	24,480	25,003	25,003	+523	.....
Total, title III, Independent agencies	29,918,670	29,404,820	31,407,764	+1,489,094	+2,002,944
Appropriations	(29,918,670)	(29,404,820)	(31,407,764)	(+1,489,094)	(+2,002,944)
Rescissions	(-30,000)	.....	.....	(+30,000)	.....
Emergency funding	.....	.....	.....	.....	.....
(Limitation on direct loans)	(1,525,000)	(1,525,000)	(1,525,000)	.....	.....
(Limitation on corporate funds)	(296)	(309)	(309)	(+13)	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2001 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2002—Continued

(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	Bill	Bill vs. Enacted	Bill vs. Request
OTHER PROVISIONS					
Filipino veterans provision	3,000	.....	.....	-3,000	.....
Grand total (net)	105,524,328	110,671,650	112,741,553	+7,217,225	+2,069,903
Appropriations	(106,087,328)	(110,678,350)	(112,334,253)	(+6,246,925)	(+1,655,903)
Rescissions	(-1,863,000)	(-6,700)	(-892,700)	(+970,300)	(-886,000)
Emergency funding	(1,300,000)	.....	(1,300,000)	.....	(+1,300,000)
(By transfer)	(66,560)	(66,560)	(66,560)	.....	.....
(Transfer out)	(-22,900)	(-22,900)	(-22,900)	.....	.....
(Limitation on direct loans)	(1,828,029)	(1,828,604)	(1,828,604)	(+575)	.....
(Limitation on guaranteed loans)	(382,332,956)	(381,842,979)	(381,842,979)	(-489,977)	.....
(Limitation on corporate funds)	(551,372)	(563,842)	(563,842)	(+12,470)	.....
Total mandatory and discretionary	105,133,328	114,867,650	112,616,553	+7,483,225	-2,251,097
Mandatory	24,581,866	31,504,766	27,183,766	+2,601,900	-4,321,000
Discretionary	80,551,462	83,362,884	85,432,787	+4,881,325	+2,069,903

MINORITY VIEWS

THE GOOD, THE BAD, AND THE PRETEND

The appropriations bill for the Departments of Veterans Affairs, Housing and Urban Development and Independent Agencies reported by the Committee represents the efforts of a skilled and well intentioned Chairman to fashion a good bill. He has worked cooperatively with Subcommittee Members on both sides of the aisle to balance priorities based on need, program performance, and the interests of Members of the House. Unfortunately inadequate resources make it impossible to make a silk purse out of a sow's ear. The result of his sincere effort is a bill which does much good, particularly in adding funds to the President's anemic budget for science, but is disappointing in areas such as veterans medical care and public housing programs that serve this country's most vulnerable citizens and families. Unfortunately, an inadequate overall allocation has also forced the Majority to rely on budgetary gimmicks to stay within the Subcommittee's budget ceiling. These gimmicks include almost $1 billion of delayed obligations and "pretend" budget allocations such as the recommendation to eliminate funding for the Corporation for National and Community Service—a recommendation which the Chairman announced prior to reporting the bill that he intends to reverse in conference. These problems will cause the VA–HUD bill to be the first of seven appropriations bills reported by the Committee to not share broad bi-partisan support.

The Minority believes that the shortfalls of this bill are unnecessary. This country has the resources to care for its veterans and to provide adequate housing for the poor, the elderly and the disabled. With a few exceptions, the funding problems are not the result of policy disagreements between the Majority and the Minority on the Committee. They are the artifacts of a Republican President and House Majority's adoption of a budget policy which has focused myopically on tax cuts for wealthy Americans, and financed these by setting totally unrealistic spending limitations on discretionary spending—ceilings which barely keep up with inflation let alone provide new resources to meet emerging needs and opportunities.

During Committee consideration of this bill the Minority offered an amendment that would have modestly scaled back the recent tax cut in order to generate a small amount of additional revenue to address some of the most urgent shortcomings in the bill. This amendment would have reduced the tax cut for the wealthiest taxpayers by one-half of one percent. Under the amendment the top tax rate of 39.6 percent, which applies to people with incomes in excess of $330,000 per year, would still be reduced to 39.1 percent but would not drop to 38.6 percent as provided under the Republican tax policy. The wealthiest Americans, those in the top one

percent economically are estimated to have had a 157%, $414,000 increase in inflation adjusted income during the last two decades. The amendment which we offered would have generated $1.3 billion in fiscal year 2002 revenue and allocated $1 billion of this amount to programs in the VA–HUD bill—$300 million for veterans medical care, $382 million for critical housing programs and $311 million to partially restore the Corporation for National and Community Service. Unfortunately the amendment failed on a party line vote.

Science

As we indicated earlier, despite the shortage of funds, the Chairman has made scientific research a priority and has provided a generous allocation for the science agencies, especially the $4,480 million in the bill for the National Science Foundation. The President's budget requested a meager 1.2 percent increase for the NSF, barely half the amount necessary to cover inflation. The Committee has wisely added $368 million to the President's request bringing the 2002 increase to slightly over 9 percent, an amount which will allow the agency to continue on-going research in basic physics, chemistry, mathematics and engineering as well as take advantage of the new opportunities which have previously been approved by the National Science Board, but which would have been blocked by the Bush budget.

The increases recommended by the Chairman and approved by the Committee for NASA are also positive but more complex. The bill as reported includes $14,926 million for NASA, an increase of $415 million over the President's budget. In addition to providing the budget request for the International Space Station, $275 million in funds are earmarked for the crew return vehicle (CRV), which had been cancelled by the Administration. The bill also includes additional amounts for space station research and for infrastructure improvements at the Kennedy Space Center.

Given the budget constraints faced by the Committee, the Minority is pleased by the increases the Majority was able to provide to NASA. However, while these additions represent important improvements in the agency's budget, neither the President's budget nor this bill solve the underlying problems facing the International Space Station project. Cost estimates for the space station have risen from $8 billion in the mid-1980's to close to $30 billion today including the most recent revelation of a $4.8 billion new cost overrun. The station has become the "black hole" of the NASA budget consuming other worthwhile projects at the same time it is being downsized to a level that is inadequate to accomplish the science mission for which it was originally designed. The Bush plan as currently proposed calls for a 3 person station crew, with 2.5 of these devoted to operating the Station. This leaves only half of the time of a single astronaut to conduct research, a situation that is impractical and irresponsible. While the Committee, in allocating initial funding for design and construction of a 6 person crew return vehicle, has begun to address the problem, this is only a first step. It is essential that NASA produce a realistic science and budget plan for the space station. Further, it is absolutely critical that the increasing and still undefined space station costs not impact the

earth and space science activities at NASA, which have contributed to most of the success that NASA has enjoyed over the years. Failure to do so could leave the American people picking up the tab for one of the greatest science follies of all time.

Veterans

As discussed earlier, the very solid funding levels for science programs are not matched in many other areas of the bill. Veterans programs are an example of an area where, as a result of the Majority party's tax-cut driven policy, constrained resources have meant that the Chairman was not able to address critical needs. He is to be praised for his recommendations to add $300 million to the President's request for much needed construction at VA facilities and for a significant increase for medical research. The Chairman also allocated an increase of $300 million over the President's budget to support the hospitals, clinics and nursing homes which provide care to more than 4 million veterans. Unfortunately this level of increase is inadequate—less than half the increase needed to meet increased health care expenditures nationally. It is $500 million less than recommended by the Republican Chairman of the Veterans' Affairs Committee. At the levels recommended by the Committee waiting times for medical appointments will continue to increase and new benefits recently authorized such as expanded long term care, mental health, pharmacy and emergency services will be delayed. The major veterans service organizations, in a letter to the Committee dated July 16, 2001, have stated that the funding in the bill ". . . is simply inadequate to meet the needs of sick and disabled veterans . . . at a time of skyrocketing health care costs and rising demand from an aging veterans' population." We in the Minority agree and attempted, in the amendment which we offered unsuccessfully at Committee, to add an additional $300 million for the medical care account.

Department of Housing and Urban Development

Overall, the funds provided in the Committee bill for the Department of Housing and Urban Development are inadequate. The Chairman has provided for the renewal of all section 8 housing vouchers, and for some new, incremental housing vouchers, but overall funding for critical housing programs serving our most vulnerable citizens is reduced by $560 million compared to fiscal year 2001. Many accounts within the Department are simply zeroed out. The Public Housing Drug Elimination Grant program has been eliminated; no funds have been provided for Empowerment Zones; no funds have been provided for the Rural Housing and Economic Development program, and no funds have been provided for the Shelter Plus Care program.

Public housing is cut in two main areas. First, the Public Housing Capital Fund, which provides modernization funds for public housing, is reduced by $445 million from last year's level of $3 billion despite a growing affordable housing crisis in America. Public housing is home to approximately 3.2 million low-income Americans—families, elderly, and disabled that could not afford housing in the private market. The funding for public housing will result in its residents living in less secure, less healthy, and increasingly

deteriorated housing. Our public housing inventory is valued at $90 billion, and has a maintenance backlog estimated at nearly $20 billion. It is shortsighted to let the taxpayer's investment deteriorate.

Second, the Drug Elimination Grants for Low-Income Housing program is completely eliminated. Instead, the majority has increased the Public Housing Operating Fund by $110 million over the President's request and indicated that housing authorities may use these funds for drug elimination purposes. These operating funds are to cover all operating expenses, as well as drug elimination grant activities. This means other activities, including higher utility costs, must be paid for out of this account, resulting in a decrease in resources for drug elimination at those housing authorities that receive funding under this account. The Minority believes that funding for drug prevention programs will lead to lower costs for property management and better security around public housing. This priority program should be maintained.

The Shelter Plus Care program, which provides critical funding designed to meet the needs of the homeless, is also zeroed out in the bill. The Committee report states that the fiscal year 2001 appropriation included sufficient funding to fully support all renewal costs for Shelter Plus Care contracts for fiscal year 2002. The Minority does not agree. Last year's bill did not include an advance appropriation for 2002. In this particular program, there is a fairly long lag between an appropriation and the awarding of funds. Thus, providing no new funds in this year's bill creates a funding gap. Grants that would normally be renewed in or around December 2002 will have to wait another year to be funded or these renewals will have to compete with the general funding round.

The Rural Housing and Economic Development program is another program that was terminated in this bill. This program addresses the problems facing residents of rural areas, including people living in Colonias, Native Americans, and migrant farm workers. But the problem is not limited to these populations. The shortage of adequate housing at reasonable prices in America's rural areas is a national problem and the Minority cannot support the decision to terminate this small but important effort to help rural families find decent housing.

It is clear that these shortfalls in funding for key HUD programs must be addressed before this bill is acceptable to many Members of Congress. The Minority strongly believes that restoring funding for many of these activities should be a high priority as the bill moves through the House and the Senate.

Environmental Protection Agency

Although this bill provides an increase above the President's request for the Environmental Protection Agency, the $7,545 million recommended is still almost $300 million below the FY 2001 level. However, the largest issue of concern in the environmental area is the strength of federal enforcement. Many members have expressed concern about the cut to EPA enforcement personnel requested by the President and approved by the Committee. This Committee cuts funding for 270 federal enforcement FTE and, as a replacement, creates a $25 million grant program for state enforcement, which will only award 25 to 35 grants—not enough to cover all

states. This change weakens enforcement of environmental laws that protect human health and our environment—laws which protect children from neurological impairments from lead based paint, which provide cleaner air to reduce asthma resulting from air pollution, and which provide the basis for cleaning up toxic industrial contamination in our rivers. The Minority does not believe that federal efforts should be reduced, and does not consider awarding roughly half the states grants to replace that abdication of federal responsibility to be an adequate response to nationwide environmental problems.

Corporation for National and Community Service

As we noted in the beginning of these views, funding for the Corporation for National and Community Service has been eliminated from the bill. While the Chairman has suggested that funding will be restored in conference, that is a very dangerous strategy should the Majority stick with its current limits on discretionary spending. There is great doubt about where the money will come from to restore AmeriCorps and other service initiatives funded by the Corporation. Most members do not want to terminate funding for a program that provides housing to homeless families, arranges for tutors for low income students, rehabilitates community buildings and helps build Habitat for Humanities homes for low income families.

Disaster assistance

This bill, in addition to providing for the normal operations of the Federal Emergency Management Agency, contains $1.3 billion of critical emergency funding for disaster assistance. This funding will help victims of tropical storm Allison, in particular the people of Texas who incurred heavy losses from torrential rains and the subsequent flooding which followed this storm. It also replenishes the fund for future disasters so that other American families and businesses may be assisted when disaster hits their community. While the Minority believes that it would have been wiser to provide this money in the fiscal year 2001 Supplemental, that action was unfortunately blocked by the White House. In the view of the Minority, the President and his advisers have failed to recognize the needs of the people of Texas and many other states. While we understand the desire of the President to limit the artificial use of the emergency funding procedure, we believe that in this case the White House and the OMB have so myopically focused on process that they have failed to responsibly provide for the current situation—a true natural disaster which could not have been anticipated in advance.

The Minority strongly supports the inclusion of these funds, and the request from the Committee to the Rules Committee for a waiver allowing this emergency funding, which is supported by both the Republican Leadership and by the Minority party.

Conclusion

In summary, the Minority is pleased by the Chairman and the Committee's efforts in many areas, especially the funds added to the President's request for the National Science Foundation and for

NASA. However, shortfalls in other areas make the bill in its current form an inadequate response to its many responsibilities to the American people, and we will need to continue to work to improve it as the process moves forward.

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DAVE OBEY.

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