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**FY 1994 BUDGET BRIEFING**

**MARCH 17, 1993**

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## POLICY ISSUE FOR THE FY 1994 BUDGET

**SUBJECT:** Abortion-Related General Provisions (Hyde Amendment)

**ISSUE:**

At least two appropriations bills and several permanent authorizations contain provisions that address Federal funding for abortions. First enacted in 1976, as currently worded, the so-called Hyde Amendment states: "None of the funds contained in this Act [the Labor/HHS Appropriations Act] shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term." Attachment A lists the various versions of the Hyde Amendment.

**DISCUSSION:**

By the mid-1980s, the Hyde Amendment essentially eliminated Federal funding for abortions under the Medicaid program and other HHS programs. Similar provisions restricted Federal funding for abortions for the Indian Health Service; Federal appropriations to Washington, D.C., including local funds; women in Federal prisons; FEHB; direct medical services for the military and CHAMPUS, the health benefits program for military personnel and dependents; and foreign aid funding, including medical services for Peace Corps workers.

**OPTIONS:**

*Nursing  
9/2/94*  
Option One: Delete the Hyde Amendment. The effect of this would be that States would probably be required to finance "medically necessary" abortions. Courts have upheld a State's refusal to fund "nontherapeutic" (i.e., not "medically necessary") abortions under the Medicaid program.

Option Two: Delete the Hyde Amendment and insert language stating that the Administration will work with the Congress to develop a clarifying position.

*Freedom  
Choice Act*  
Option Three: Delete the Hyde Amendment and insert language providing that States may enact restrictions on abortions consistent with Roe v. Wade.

**RECOMMENDATION:**

No recommendation. HHS supports Option One.

Attachment

## ABORTION-RELATED GENERAL PROVISIONS

<u>Appropriation Bill</u>	<u>Current Status</u>	<u>Affected Population</u>
Labor-HHS General Provisions Sec. 103	Federal funding allowed only when the life of the mother is endangered if the fetus is carried to term.	Medicaid, Indian Health Service, and PHS grantee clients
D.C. Appropriation Bill	Funding allowed only when the life of the mother is endangered if the fetus is carried to term. (Includes local tax funds).	D.C. residents who would otherwise receive non-Medicaid funding for abortions
State-Commerce-Justice General Provisions Sec. 103, 104, 105	Federal funding allowed only when the life of the mother is endangered if the fetus is carried to term. Also provides that "no funds shall be used to require any person to perform or facilitate an abortion; " but permits funds for escorting to abortion services outside the Bureau of Prisons.	INS detainees, sentenced and pre-sentenced prisoners, transitionally housed asylees, special witnesses and families protected by DOJ, and inmates
Treasury-Post Office appropriation bill, Sec. 513, 514 of Title 5	FEHB plans may not cover abortions unless the mother is endangered if the fetus is carried to term.	Federal employees and dependents
DOD-United States Code, Sec. 1093 of Title 10,	Federal funding allowed only when the life of the mother is endangered if the fetus is carried to term.	Military personnel and dependents
Foreign Aid--H.R. 5368 Foreign Operations, PL 102-391, Sec 524 and 534 (Kemp-Kasten Amendment)	No funds shall be used for : 1) abortions, 2) to lobby for abortion, or 3) involuntary sterilization as a method of family planning or as incentive to undergo sterilization.	Peace Corps workers and countries receiving U.S. foreign assistance

## POLICY ISSUE FOR THE FY 1994 BUDGET

**SUBJECT:** Boston Harbor Wastewater Treatment Construction

**ISSUE:**

Should an earmarked grant of \$100 million be provided to help pay for construction of a \$3.5 billion wastewater treatment system in Boston? (About \$1 billion remains unfunded for court-ordered wastewater treatment needs.)

**DISCUSSION:**

Federal assistance to municipalities for construction of wastewater treatment facilities has historically been allocated to States through a statutory formula. The last reauthorization of the Clean Water Act in 1987 provided \$18 billion in Federal funding. The Clinton Administration's investment proposal would provide an additional \$7.2 billion by 1997 through State Revolving Funds that make low-interest loans to municipalities. Because the Bush Administration had made Boston Harbor pollution a campaign issue in 1988, it deviated from the statutory formula by targeting a \$100 million grant in FYs 1992 and 1993 specifically for Boston (five other cities also received targeted grants in FY 1993). Since sewer charges have been skyrocketing in the Boston area to pay for the new facilities, the Massachusetts congressional delegation has been lobbying hard for continued earmarked grants of at least \$100 million per year. If Boston receives such targeted assistance, other cities with large remaining needs (e.g., New York and San Diego) will demand similar treatment.

**OPTIONS:**

**Option One:** Target \$100 million grant to Boston, based on a formula using capital needs and high projected sewer charges, without mentioning the city by name.

**Option Two:** Continue Bush Administration's \$100 million grant for Boston only.

**Option Three:** Provide \$100 million in funding for Boston under Section 513 of the 1987 Water Quality Act. (Section 513 authorizes funding for Boston, but the proposed amount exceeds the authorized level by \$80 million.) This is EPA Administrator Browner's preferred option; however, EPA staff is still considering Option 1 with a 20 percent matching requirement.

**RECOMMENDATION:** Option One is preferred because it has less of an appearance of an earmark for Boston Harbor.

## POLICY ISSUE FOR THE FY 1994 BUDGET

**SUBJECT:** Needle Exchange Prohibition (Section 514, FY 1993 Labor/HHS Appropriations Act)

### **ISSUE:**

Section 514 prohibits HHS from funding needle-exchange programs, *unless the Surgeon General determines that such programs are effective in preventing HIV transmission and do not encourage illegal drug use.*

### **DISCUSSION:**

Section 514 appeared in appropriations language for the first time in FY 1993 due to a controversy over a similar prohibition in separate legislation to reauthorize many of HHS' drug abuse programs. President Bush refused to sign the bill because it did not include the prohibition. The bill, which had already been approved by a conference committee, was returned to conference, the prohibition was added, and President Bush signed the revised bill. The new law (P.L. 102-321) prohibits States from spending the \$1.3 billion Substance Abuse Block Grant on needle exchange programs. (This block grant represents 31 percent of HHS drug abuse funding.)

### **OPTIONS:**

Option One: Retain Sec. 514 in the FY 1994 President's Budget.

Option Two: Delete Sec. 514 in the FY 1994 President's Budget.

### **RECOMMENDATION:**

HHS supports Option Two.

OMB recommends Option One. Deleting Section 514 in the FY 1994 Budget may create an issue where one does not exist. If retained, the FY 1994 provision would be in effect beginning on October 1, 1993. The new Surgeon General, Dr. Jocelyn Elders, takes office on July 1, 1993. At that point, she will be able to review the preliminary findings of a comprehensive, CDC-funded evaluation of needle-exchange programs, scheduled for release this April. It is likely that the new Surgeon General will find that needle-exchange programs do not increase drug use and do reduce HIV transmission. If she does so, the Administration will have fulfilled the terms of Section 514 without explicitly rejecting the provision, and HHS will be able to spend non-Block Grant funds on needle exchange programs.

## **POLICY ISSUE FOR THE FY 1994 BUDGET**

**SUBJECT:** White House FY 1993 Supplemental

**ISSUE:**

The White House is planning on requesting a supplemental for FY 1993 that totals \$11.91 million with sufficient offsets to cover both the budget authority and outlays.

**DISCUSSION:**

The \$11.91 million supplemental includes funds for the White House Office (\$7.46 million), the Office of Administration (\$4.34 million) and Special Assistance to the President, which funds the Vice President's staff (\$.1 million). A summary follows:

- \$1.15 million for lump sum leave and unemployment benefits for departed Bush staff;
- \$.65 million for complying with court action concerning Bush EXOP hard drives and electronic mail (issues related to Clinton passport investigation and preservation of presidential records);
- \$.23 million for telephone system changes required by the change in Administration;
- \$3.16 million for temporary personnel to recruit and process 5,000 political and other government employees;
- \$4.73 million for new computer and phone systems to improve response to the American public and Congress;
- \$2 million to improve response to correspondence to the President from 33 percent for Bush to 100 percent for Clinton (postage, training of volunteers, improved technology).

With regard to the computer/phone system funds, David Watkins is still considering using private donations. This would reduce the supplemental and need for offsets by \$4.73 million. At this time, the full amount is planned to be requested, and it would be reduced later if a decision is made to go with private donations.

Proposed Offsets (by transfer)

- \$4.1 million from salaries and expenses of the Office of National Drug Control Policy. This reduction from the \$17.3 million appropriated for the drug czar is a result of the decision to reduce substantially and reorganize that Office (38 Bush appointees departed and have not been replaced, and since the reorganization many others have left).
- \$0.7 million from the National Space Council. This reduction from the \$1.6 million appropriated is a result of the reorganization (there are currently two staff on board).
- \$7.1 million from three Internal Revenue Service accounts (Processing Tax Returns, Tax Law Enforcement and Information Systems).
- \$0.1 million from the National Critical Materials Council. This reduction from the \$0.2 million appropriated is a result of the reorganization (there are currently two staff on board).

**NON-STIMULUS SUPPLEMENTALS TO BE INCLUDED IN 1994 BUDGET  
(IN MILLIONS OF DOLLARS)**

	<u>BA</u> <u>1993</u>	<u>Outlays</u>	
		<u>1993</u>	<u>1994</u>
<b>DISCRETIONARY SUPPLEMENTAL REQUESTS:</b>			
<b>Executive Office of the President:</b>			
White House.....	11.9	---	---
Offsets funded by transfer.....	-11.9		
<u>Purpose:</u> Funding would be requested for lump sum annual leave and unemployment benefits for departing Bush staff; critical improvements to information, communications, and correspondence systems; and for temporary personnel and equipment needed to recruit and hire 5,000 top Federal employees.			
Proposal to be fully offset. Possible offsets include: transfer from ONDCP, partial funding by donations, and rescission of ONDCP R&D funds.			
Office of the United States Trade Representative, Salaries and expenses.....	0.8	0.8	---
<u>Purpose:</u> The proposal would provide sufficient FY 1993 operating funds to handle the following two major trade initiatives:			
-- Resuming the North American Free Trade Association talks to resolve satisfactorily environment, worker rights, and other issues; and			
-- Continuing the Uruguay Round negotiations on the General Agreement on Tariffs and Trade to settle remaining areas of disagreement.			
<b>Funds Appropriated to the President:</b>			
Contributions to various International financial institutions.....	373.7	34.2	43.2
<u>Purpose:</u> This proposal would provide funds to pay arrearages, resulting from appropriations cuts, on past payments that the United States has agreed to make to the multilateral development banks.			
Peacekeeping operations.....	14.0	9.7	4.3
<u>Purpose:</u> Provides a voluntary contribution for peacekeeping activities in Haiti and the former Yugoslavia.			

**NON-STIMULUS SUPPLEMENTALS TO BE INCLUDED IN 1994 BUDGET  
(IN MILLIONS OF DOLLARS)**

	<u>BA</u> <u>1993</u>	<u>Outlays</u>	
		<u>1993</u>	<u>1994</u>
<b>Department of Agriculture, Soil Conservation Service, Watershed and flood prevention operations.....</b>	Language	---	---
<u>Purpose:</u> Language is needed to release \$12 million in previously appropriated funds to assist victims of Hurricane Andrew. Of the \$62 million appropriated for this purpose in the Dire Emergency Supplemental Appropriations Act, \$50 million has already been released.			
<b>Department of Commerce, National Telecommunications and Information Administration.....</b>	Language	---	---
<u>Purpose:</u> This language would amend supplemental language transmitted on February 22nd in the President's "Stimulus" package. The addition is needed to enable the National Telecommunications and Information Administration to award planning grants for the development of the President's information infrastructure initiative. Currently, planning grants under the public telecommunications facilities program are limited to educational and cultural activities.			
<b>Department of Defense, National Security Education Trust Fund.....</b>	Language	3.0	2.0
<u>Purpose:</u> Language would be proposed to release previously appropriated funds, in order to provide scholarships for U.S. students to study abroad in critical area studies, foreign language, and other related fields.			
<b>Department of Defense-Civil, Army Corps of Engineers.....</b>	Language	---	---
<u>Purpose:</u> Funds were set aside in the FY 1993 appropriation for the costs of reorganizing the Corps. This language would allow the use of \$2 million for S&E to avoid RIFs in FY1993.			
<b>Department of Education, Student financial assistance.....</b>	160.0	---	---
<u>Purpose:</u> Non-emergency funding requested to cover shortfall in prior year appropriations.			

**NON-STIMULUS SUPPLEMENTALS TO BE INCLUDED IN 1994 BUDGET  
(IN MILLIONS OF DOLLARS)**

	<b>BA 1993</b>	<b>Outlays</b>	
		<b>1993</b>	<b>1994</b>
<b>Department of Health and Human Services:</b>			
Refugee assistance.....	27.0	14.9	7.9
<u>Purpose:</u> Funds are requested to avoid reduction in benefit from 8 months to 5 months. Level of benefits would be maintained at constant level for 132,000 refugees.			
Food and Drug Administration.....	39.0	---	---
Offsetting fees and transfers.....	-39.0	---	---
<u>Purpose:</u> Language would be proposed to allow FDA to collect user fees from the drug industry. The fees would finance more FDA drug application reviewers and support personnel (\$36.0 million). This supplemental would also transfer \$3.0 million from HCFA, NIH, and CDC to pay for development of FDA standards for mammography testing.			
<b>Department of Housing and Urban Development:</b>			
Home Investment Partnership Program.....	Language	---	---
<u>Purpose:</u> Language will be proposed to transfer \$100 million in public housing disaster funds to the more flexible HOME program. This transfer will give HUD greater flexibility in providing housing assistance to South Florida.			
Salaries and expenses.....	Language	---	---
<u>Purpose:</u> Language would be proposed to remove micro-management of the Department implemented through appropriations language provisions enacted in FY's 1992 and 1993.			
Office of Federal Housing Enterprise Oversight (OFHEO) .....	Language	---	---
<u>Purpose:</u> Language would authorize HUD to collect assessments from the Federal National Mortgage Association and Federal Home Loan Mortgage Association, to fund the expenses of HUD's OFHEO. This office was established in the Housing and Community Development Act of 1992 (Title XIII) to oversee the financial safety and soundness of the housing GSEs.			

**NON-STIMULUS SUPPLEMENTALS TO BE INCLUDED IN 1994 BUDGET  
(IN MILLIONS OF DOLLARS)**

	BA 1993	Outlays	
		1993	1994
HOPE grants.....	-340.0	---	---
Severely distressed public housing.....	300.0	---	---
Youthbuild.....	40.0	---	---

Purpose: Moves funds appropriated to HOPE in FY 1993 to two new accounts that are proposed for FY 1994. Transfer consolidates similar activities under the new account.

**Department of Interior, Bureau of Indian Affairs, Alaska resupply program.....** Language --- ---

Purpose: Language would provide authority to transfer funds from other Interior Department appropriations to cover \$6 million shortfall in operating expenses.

**Department of Justice, General provisions.....** Language --- ---

Purpose: This language would clarify the authority of the Justice Department to receive reimbursement from agencies referring debt to the Department for collection. The reimbursement would cover the cost of tracking and reporting to those agencies the status of debt related to their programs.

**Department of State, Contribution for international peacekeeping activities.....** 293.0 293.0 ---

Purpose: Provides treaty-mandated contributions for peacekeeping activities in Somalia, Mozambique, Angola, and elsewhere.

**General Services Administration, Allowances and office staff for former presidents.....** 0.2 0.2 ---

Purpose: This supplemental would provide funds to cover the cost of a Presidential pension, office staff, travel, and other related expenses associated with former President Bush's retirement.

**Other Independent Agencies:**

**Arms Control and Disarmament Agency, S&E.....** 2.0 2.0 ---

Purpose: Provides treaty-mandated contributions to new international chemical weapons control organization.

**NON-STIMULUS SUPPLEMENTALS TO BE INCLUDED IN 1994 BUDGET  
(IN MILLIONS OF DOLLARS)**

	<u>BA</u> <u>1993</u>	<u>Outlays</u>	
		<u>1993</u>	<u>1994</u>
<b>Federal Communications Commission, Salaries and expenses.....</b>	12.0	11.3	0.7
<u>Purpose:</u> These funds would enable the Federal Communications Commission (FCC) to implement the requirements of the Cable Television Consumer Protection and Competition Act of 1992. The Cable Act mandates regulation of cable television rates in approximately 30,000 communities where cable television is not subject to effective competition.			
<b>National Archives and Records Administration, Operating expenses.....</b>	3.3	3.3	---
<u>Purpose:</u> This request would provide funds to move former President Bush's Presidential and Vice Presidential records to College Station, Texas. The funds would be used to move, store, and process the former President's records in preparation for permanent storage at the Bush Library.			
<b>USIA.....</b>	125.0	1.0	14.0
<u>Purpose:</u> Provides for a new VOA transmitter in Kuwait. This request would be offset by a \$180 million rescission of funds from the Board for International Broadcasting.			
<b>Board for International Broadcasting.....</b>	-180.0	-18.0	-60.0
<u>Purpose:</u> Rescinds funds for Israel transmitter to offset funding for the Kuwait transmitter. This is a portion of the proposal to consolidate international broadcasting.			
<b>The Judiciary, Various accounts.....</b>	98.3	92.6	5.7
<u>Purpose:</u> The largest component of this request is an increase of \$70.8 million for the Defender services account. This account pays the expenses of court appointed attorneys for indigent defendants.			

**NON-STIMULUS SUPPLEMENTALS TO BE INCLUDED IN 1994 BUDGET  
(IN MILLIONS OF DOLLARS)**

	<u>BA</u>	<u>Outlays</u>	
	<u>1993</u>	<u>1993</u>	<u>1994</u>
<b>DISCRETIONARY SUPPLEMENTAL TOTALS:</b>			
Total domestic discretionary.....	301.6	123.1	14.3
Total international discretionary.....	627.7	321.9	1.5
Total defense discretionary.....	0.0	3.0	2.0
	-----	-----	-----
<b>Total Discretionary Supplementals.....</b>	<b>929.3</b>	<b>448.0</b>	<b>17.8</b>

**MANDATORY SUPPLEMENTAL REQUESTS:**

Department of Veterans Affairs, Compensation and Pensions.....	147.0	137.0	10.0
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Purpose: To cover shortfall in funding for mandatory compensation payments.

## POLICY MODIFICATION SINCE FEBRUARY 17TH

**SUBJECT:** 100,000 Cops: Meeting the Pledge

### **ISSUE:**

During the campaign, in Putting People First, and in recent speeches, the President has made numerous references to increasing the number of State and local law enforcement personnel fighting crime by putting 100,000 new cops on the street. The February 17th document, while including resources for increased law enforcement, did not meet this goal.

### **DISCUSSION:**

The February 17th plan included resources to support approximately 65,000 new cops (or law enforcement equivalent personnel) by 1998. Slightly over half of these new officers are associated with the crime initiative, which is expected to put about 38,000 new police on the streets by 1998. Of the 38,000, 23,000 are associated with a new "Community Policing/Cops on the Beat" program and 15,000 with a new "Police Corps" program. Other programs containing resources for new law enforcement positions include: HUD's Urban Crime Initiative for increased police presence in public housing (approximately 5,000 positions by 1998), Education's Safe Schools program (approximately 2,000 positions by 1998), and various additional programs including the National Service Program (approximately 20,000 positions by 1998).

In order to meet fully the 100,000 cops pledge by 1998, an additional new program is proposed to assist States and localities to hire police. The program would provide subsidies to local law enforcement agencies for the sole purpose of hiring new cops associated with community policing. Resources for this program will come from two sources: 1) the Community Investment Program and 2) an additional 1995-98 sum beyond levels contained in the February 17th document, from \$94 million in 1994 to \$187 million in 1998. Using these additional resources, approximately 35,000 additional cops are expected to be hired by 1998. The attachment summarizes the programs and estimates used in meeting the 100,000 cops pledge.

Since many of the programs listed above are still in their development stage, general assumptions were made in developing the new cop estimates. These estimates should be considered high-end. As such, the proposal could be criticized for being "patchwork."

Attachment

## Meeting the "100,000 cops" pledge in the Clinton Budget proposal

Initiatives related to "100,000 cops" pledge.	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
<b>Community Policing/Cops on the Beat</b>					
Budget Authority (\$ in millions)	50	175	250	300	350
Est. # of New Officers	3,300	11,700	16,700	20,000	23,300
<b>Police Corps Program</b>					
Budget Authority (\$ in millions)	25	75	150	150	150
Est. # of Officers Supported	2,500	7,500	15,000	15,000	15,000
<b>HUD Urban Crime Initiative/Other HUD Programs</b>					
Budget Authority (\$ in millions)	124	150	150	149	149
Law Enforc. Equiv. Positions	4,100	5,000	5,000	5,000	5,000
<b>DoEd Safe Schools Program</b>					
Budget Authority (\$ in millions)	75	100	100	100	100
Law Enforc. Equiv. Positions	600	800	1,300	1,500	2,100
<b>National Service/Other Programs</b>					
Budget Authority (\$ in millions)	xxx	xxx	xxx	xxx	xxx
Law Enforc. Equiv. Positions	600	6,100	11,200	17,700	20,000
<b>New Police Hires/Community Policing</b>					
<b>Community Investment Program</b>					
Obligations (\$ in millions)	500	0	0	0	0
Est. # of New Officers	13,900	13,900	13,900	13,900	13,900
<b>New Funding</b>					
Budget Authority (\$ in millions)	0	94	156	187	187
Est. # of New Officers	0	5,200	10,400	15,600	20,800
<b>Total New Officers and Equivalent Positions</b>	<b>25,000</b>	<b>51,100</b>	<b>73,500</b>	<b>88,700</b>	<b>100,100</b>

## POLICY MODIFICATION SINCE FEBRUARY 17TH

**SUBJECT:** EPA: Operating Budget Funding Level Confirmation

**ISSUE:**

Concerns have been raised about EPA's proposed FY 1994 operating budget as compared to the FY 1993 enacted level.

**DISCUSSION:**

EPA's operating budget provides funding for research, rule development, state grants, enforcement, and administration. It has traditionally been viewed by the environmental community as an important symbol of an Administration's commitment to the environment. The Friends of the Earth have already written the Vice President expressing concern about EPA's operating budget level. As the attached chart shows, EPA's operating budget received increased funding for several investment initiatives and was not targeted for any programmatic reductions. However, the final operating budget level for FY 1994 is only \$1 million higher than the FY 1993 enacted level. This is because increases were offset by technical adjustments and government-wide reductions.

Attachment

**Operating Budget Crosswalk**  
(BA \$ in millions)

<b>Enacted Operating Budget</b>	<b>2,744</b>
Inflation	+94
<b>Clinton Baseline</b>	<b>2,838</b>
Investment	
Green Programs	+15
Watershed Resource Restoration	+30
Environmental Technology	+36
FCCSET Research	+7
<b>Operating Budget (Programmatic Level)</b>	<b>2,926</b>
Technical Adjustments	
Eliminating one-time building projects	-98
FTS price reduction	-1
Cross-cutting, government-wide savings	
Streamlining savings	-32
FTE Reduction	-15
Pay: Policy adjustment	-26
Other administrative efficiencies	-5
Limits on R&D grant overhead	-3
<b>Clinton Operating Budget</b>	<b>2,745</b>

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**Total EPA Discretionary Funding**  
(BA \$ in millions)

	<u>FY 93</u> <u>Enacted</u>	<u>FY 94</u> <u>Budget</u>	<u>FY 95</u> <u>Projected</u>
EPA Operating Budget	2,744	2,745	2,865
Construction Programs	2,500	1,947	3,150
Clean-up Programs	1,649	1,571	1,593
<b>Total EPA Discretionary</b>	<u>6,892</u> <u>1/</u>	<u>6,263</u>	<u>7,608</u>

1/ Does not include \$916 million in proposed stimulus funding for EPA.

## POLICY MODIFICATION SINCE FEBRUARY 17TH

**SUBJECT:** FTE Executive Order Exemptions

**ISSUE:**

A number of agencies have requested, or are expected to request, exemptions from Executive Order 12839, "Reduction of 100,000 Federal Positions".

**DISCUSSION:**

Since February 17th, several changes have been made to the reductions included in the Vision document. The overall reduction in FY 1993 is now 0.5 percent. The target is one percent. By FY 1995, however, 108.7 thousand FTE (5.1 percent) will be cut. Major changes from February 17th are:

- no FY 1993 reduction to DOD (the DOD base is 45,600 below the FY 1992 actual);
- an additional 4,500 FTEs for VA medical care in FY 1994;
- exemptions for EEOC and Panama Canal Commission.

Among other appeals that will be considered after the FY 1994 Budget is submitted are:

- Justice: newly opening prisons staffing and INS;
- IRS: collection enforcement;
- Commerce: National Weather Service upgrade;
- Labor: dislocated workers, Job Corps, youth apprenticeship;
- Education: loans processing;
- FCC, cable regulation.

A formal review process will be used for FTE appeals. Criteria for granting appeals will include:

- relationship to Administration initiatives, e.g., investment;
- efficiency in use of existing FTEs;
- ability to absorb reductions in non-priority programs;
- ability to offset expenditures.

## POLICY MODIFICATION SINCE FEBRUARY 17TH

**SUBJECT:** Gaming facilities on Indian reservations

**ISSUE:**

Objections have been raised concerning the use of Bureau of Indian Affairs (BIA) loan guarantees for the financing of Indian gaming facilities.

**DISCUSSION:**

Both the stimulus package and the FY 1994 Budget had originally included BIA loan guarantees to tribes providing construction capital for new business ventures and other projects (Tribal administrative facilities, hotels, and gaming facilities). BIA loan guarantees often provide the only source of capital for starting businesses on Indian reservations and providing job opportunities for tribal members. The FY 1994 Budget proposed \$8.8 million in budget authority to guarantee \$53.6 million in loans.

Representative Obey raised concern that the Administration's stimulus package for BIA economic development included funds to subsidize loan guarantees for Indian gaming facilities, specifically for building casinos on Indian reservations in Wisconsin. As a result, Secretary Babbitt sent a letter to the Interior Subcommittee on Appropriations dated March 9th requesting that the funds included in the stimulus package for BIA loan guarantees would be better used if appropriated to the BIA construction program to build juvenile detention facilities. The Administration had no objection to that change.

For the FY 1994 Budget, OMB concluded that appropriations language will be included in the Department of the Interior's budget, to prohibit the use of loan guarantee funds for gaming facilities. Department of the Interior objects to this prohibitive language.

Senator Inouye, Chairman for the Select Committee on Indian Affairs, and tribal leaders will likely object to both actions. Senator Inouye may argue that any such significant change in policy should be the subject of "consultation" between the Federal Government and tribes before such a change in policy is made.

*Initiative* →

## POLICY MODIFICATION SINCE FEBRUARY 17TH

**SUBJECT:** Gas Tax: Allocation Between Highways and Transit

**ISSUE:**

The President's Budget will propose that the 2.5 cents per gallon fuel tax that is currently used for deficit reduction be extended beyond FY 1995 and used to ensure the solvency of the Highway Trust Fund. This proposal raises the following issue: How much, if any, of the 2.5 cents should be credited to the Mass Transit Account within the Highway Trust Fund?

**DISCUSSION:**

The Highway Account of the Highway Trust Fund has a greater need for additional revenue than the Transit Account. For example, by the end of FY 1995 the Highway Account's commitments will exceed its cash balance by \$37 billion. Conversely, the Transit Account's cash balance will exceed its commitments by \$4 billion.

Notwithstanding the Highway Account's greater need, the consensus of those representing mass transit and the cities is that transit should receive 20 percent of the 2.5 cents. This is the percentage of gas tax increases transit has received in the past.

The Budget will propose to give 10 percent, or .25 cents, of the 2.5 cents to the Transit Account and the remainder to the Highway Account.

This allocation was recommended by both OMB and the Secretary of Transportation. Under this approach, the Highway Account is projected to be solvent through 1998. The Transit Account would be solvent through FY 1999. Both accounts would be able to sustain proposed funding levels beyond the current authorization period, which ends in FY 1997.

Secretary Pena has consulted with Chairmen Mineta and Moynihan on this issue. DOT has also consulted with Ways and Means and Senate Finance Committee staffs.

## POLICY MODIFICATION SINCE FEBRUARY 17TH

**SUBJECT:** Judiciary Funding

**ISSUE:**

The estimates supporting the February 17th document, A Vision of Change for America, included a negative allowance for the Judiciary. The purpose of this negative allowance was to reduce the Judiciary's excessive budget request to the baseline level, thereby making the request conceptually comparable to the request of the Executive Branch. The Judiciary strenuously opposed this presentation.

**DISCUSSION:**

As a separate branch of Government, the Judiciary is legally exempt from normal Executive Branch budgetary review. Each year, the Judiciary submits a budget that is unconstrained by the fiscal limitations applied to the Executive Branch. These budgets normally request large increases for Judicial activities, anticipating that Congress will appropriate something much less.

The Judiciary's FY 1994 budget request would add over \$574 million above inflation to its FY 1993 enacted level of funding. By FY 1998, Judiciary's budget would double, with growth exceeding inflation by \$2.4 billion. If accommodated within Federal totals, the Judiciary's growth would erode the Administration's ability to fund its priorities.

To bring the Judiciary's total budget request more in line with funding levels sought by the rest of the Federal Government, an offset was created and included in the February 17th estimates. The offset reduced the Judiciary's bottom line total to a level more consistent with the rest of the Government. Judge Arnold, Chairman of the Budget Committee of the Judicial Conference, objected strenuously and requested that the offset be withdrawn.

To address Judge Arnold's concerns, OMB modified its approach by establishing a more general adjustment that combines reductions for both the Judicial and Legislative Branches and applies the resulting adjustment to the entirety of the Federal budget. This approach accomplishes the same goals of budget reduction without specifically singling out the Judiciary. The reduction will appear in the budget as an "adjustment for accounts not subject to Executive Branch review."

This change of treatment has been accepted by Judge Arnold.

## **POLICY MODIFICATION SINCE FEBRUARY 17TH**

**SUBJECT:** Land Acquisition

**ISSUE:**

Sensitivity of the environmental community to the Department of the Interior's (DOI) FY 1994 recommendation for land acquisition.

**DISCUSSION:**

The OMB February 17th passback to DOI for FY 1994 land acquisition assumed baseline (\$229 million in budget authority). Under flexibility granted to Secretary Babbitt, significant reductions for land acquisition are proposed by DOI (-\$89 million below baseline). As a result, FY 1994 land acquisition funding for both DOI and Forest Service (USDA) totals \$203 million, the lowest land acquisition total since the FY 1988 appropriation of \$170 million. (However, the USDA mark for the Forest Service is above the enacted level.)

The environmental community has historically used land acquisition requests as a measure for an Administration's commitment to their issues. Secretary Babbitt is aware of the sensitivity of his request and personally made the decision regarding land acquisition. He strongly believes that an expanded and more aggressive program of land exchanges will meet Federal needs at a lower cost.

Attachment

**LAND AND WATER CONSERVATION FUND (LWCF)  
LAND ACQUISITION**  
(BA in millions)

<u>Agency/ Bureau</u>	<u>Actual FY 1992</u>	<u>FY 1993 Bush Budget</u>	<u>FY 1993 Enacted</u>	<u>FY 1994 Baseline</u>	<u>FY 1994 Agency Allocation*</u>	<u>Difference Baseline to Allocation</u>
National Park Service:						
Federal Land Acquisition	82	84	90	93	50	(43)
State Grants	23	60	28	29	28	(1)
Fish and Wildlife Service	99	80	76	78	50	(28)
Bureau of Land Management	<u>25</u>	<u>42</u>	<u>28</u>	<u>29</u>	<u>11</u>	<u>(17)</u>
<b>Subtotal—Dept. of the Interior</b>	<b>229</b>	<b>266</b>	<b>221</b>	<b>229</b>	<b>139</b>	<b>(89)</b>
Forest Service (USDA)	88	100	62	65	64	(1)
	—	—	—	—	—	—
<b>TOTAL, LWCF FUNDING</b>	<b>317</b>	<b>366</b>	<b>284</b>	<b>293</b>	<b>203</b>	<b>(90)</b>

\* Proposed

## **POLICY MODIFICATION SINCE FEBRUARY 17TH**

**SUBJECT:** Legal Services Corporation

**ISSUE:**

The Legal Services Corporation has operated without an authorization since 1980. Detailed and lengthy appropriations language has evolved in the interim.

Last year's appropriations language included general provisions prohibiting the expenditure of funds "for any purpose prohibited or limited by or contrary to" the many provisos set forth in the FY91 appropriations language or authorizing language that might be enacted during the fiscal year.

The provisos from FY 1991 include, for example, that none of the funds appropriated under the Act may be used, "... by the Corporation or any recipient to participate in any litigation with respect to abortion," or "... to pay for any publicity or propaganda intended or designed to support or defeat legislation pending before Congress or State or local legislative bodies or intended or designed to influence any decision by a Federal, State, or local agency," or "... to pay for any personal service, advertisement, telegram, telephone communication, letter, printed or written matter, or any other device intended to influence any Member of Congress or any other Federal, State, or local elected official to favor or oppose any Act, bill, resolution, or similar legislation..."

A Vision of Change for America did not consider an appropriations or authorization strategy for the LSC.

**DISCUSSION:**

A reauthorization will be proposed. In expectation of a reauthorization which will address all these issues, the FY94 Budget will propose all of last year's appropriations language be deleted but for the basic request for funds. To retain flexibility for an incoming Board, the language will propose that funds be available monthly until a new Board is confirmed.

## POLICY MODIFICATION SINCE FEBRUARY 17TH

**SUBJECT:** Medical Assistance to Undocumented Aliens

**ISSUE:**

Some States incur disproportionately high costs for providing services to undocumented aliens. Hospitals provide emergency care to the uninsured, including undocumented aliens, in many cases without compensation. This program would provide Medicaid grants to States to help offset these medical costs for States that bear a particularly large share of the burden for such care.

**DISCUSSION:**

This program is based on an investment item advanced in A Vision of Change for America. Medicaid, under current law, does not provide funding specifically for medical care for undocumented aliens. This proposal was initiated to assist California and other states that bear a relatively large share of the burden for such care.

Currently, States receive State Legalization Impact Assistance Grants (SLIAG) and Refugee Resettlement aid to assist with the cost of eligible legalized aliens and refugees. States that receive such aid for recently legalized residents are also likely to have relatively high costs for medical assistance for residents who are undocumented. Under this proposal, the Federal Government would allocate up to \$400 million in discretionary funds annually as supplemental Medicaid grants to States. Allocations would be based upon SLIAG allocations in the first year -- as a proxy for State medical costs for undocumented residents. In the second and third years, grants would be allocated based upon actual past medical spending on undocumented aliens.

California has a particularly large population of undocumented residents and would be expected to receive at least 50 percent of the funding (\$200 million per year). Texas, New York, and Florida also have relatively high populations of illegal immigrants, and would be expected to receive funds.

The Budget will seek authorization for three years to spend \$400 million annually for Medicaid grants to States for medical assistance for undocumented aliens.

Attachment

**FEDERAL ASSISTANCE TO CALIFORNIA  
FOR UNDOCUMENTED AND DOCUMENTED ALIENS IN FY 1994**

**Federal Programs Targeted to Undocumented Aliens**

<u>Agency</u>	<u>Type of Assistance</u>	<u>Federal Assistance (\$ in millions)</u>
Health and Human Services	Medicaid: Medical Assistance for Undocumented Residents	200.0
Justice Immigration and Naturalization Service		
	Detention and Deportation	5.2
	Inspections	2.6
	Investigations	0.6
	Legal	0.3
	subtotal	208.7

**Federal Programs Targeted to Documented Aliens**

<u>Agency</u>	<u>Type of Assistance</u>	<u>Federal Assistance (\$ in millions)</u>
Health and Human Services	Food Stamps	300.0
	Head Start	20.0
	Refugee Resettlement Assistance	101.0
	State Legalization and Impact Assistance Grants (SLIAG)	511.0
State Department	Migration and Refugee Assistance	21.0
Education	Chapter 1 grants for compensatory education services to migrant children	100.4
	Immigrant education to school districts	12.0
	subtotal	1065.4
<b>Federal Assistance to Aliens</b>	<b>Total</b>	<b>1274.1</b>

NOTE: The information contained in this summary document reflects data readily identifiable on Federal funds expended in the State of California. It is based on the economic plan as of February 17, 1993. Estimates are based on allocation formulas in current law, as modified by the President's proposals, and assume that the plan is enacted as proposed.

In FY 1994, these Health and Human Services programs will provide Federal assistance to California, some of which will go to undocumented and documented aliens. However, the proportion spent on aliens is unknown.

Agency

Type of Assistance

Health and  
Human Services

Aid to Families with Dependent Children (AFDC)  
Child Care Block Grants  
Earned Income Credits  
Medicaid: Disproportionate Share  
Hospitals (DSH)  
Nutrition Assistance  
Old Age and Survivors Disability Insurance  
(OASDI)  
Parenting and Family Support  
Social Services Block Grant  
Supplemental Security Income (SSI)

**Note:**

US Department of Education Grant Program funds are available for any child or adult who meets the authorizing statute's service criteria. Resident status is not an eligibility criterion. The number of undocumented aliens participating in education programs is unknown.

## POLICY MODIFICATION SINCE FEBRUARY 17TH

**SUBJECT:** Pell Grant Program

**ISSUE:**

Cost saving legislative changes in the Pell Grant program needed to maintain the maximum grant amount at the current level.

**DISCUSSION:**

Of the funds allocated to the Education Department for FY 1994, Secretary Riley has allotted \$6.3 billion for Pell grants, \$.6 billion over the FY 1993 level.

He proposes to maintain the Pell grant maximum award at \$2,300. In order to do this within the amounts available for the FY 1994 Budget, he also proposes to require each student with family income over \$15,000 to provide a minimum contribution: \$500, rising with income.

This proposal saves \$620 million. The effect of this change is to eliminate 160,000 recipients with incomes over \$15,000. Total recipients, however, increase 200,000 over FY 1993 to a total of 4.6 million.

Secretary Riley's staff discussed Pell limitations with authorizing committee staff. The Secretary had wanted more eligibility limits in order to fund a \$100 increase to the maximum award, but committee staff preferred no increase in the maximum if that required additional eligibility constraints.

## POLICY MODIFICATION SINCE FEBRUARY 17TH

**SUBJECT:** Refugee Resettlement Program

**ISSUE:**

The Refugee Resettlement Program provides social services, cash and medical assistance to refugees newly arrived in the U.S. The Department of Health & Human Services (HHS) requested a FY 1993 supplemental appropriation of \$27 million, in addition to the currently appropriated \$381 million, to allow States to continue to pay eight months of benefits to eligible refugees in FY 1993. To continue the level of benefits in FY 1994, HHS also requested an additional \$39 million over the initial FY 1994 funding level passed back from OMB, for a total of \$420 million.

**DISCUSSION:**

Both of HHS's appeals were granted in full.

## POLICY MODIFICATION SINCE FEBRUARY 17TH

**SUBJECT:** Timber Sales: FY 1994 Level

**ISSUE:**

What level of timber sales and receipts from National Forests (USDA/Forest Service) should be assumed for FY 1994?

**DISCUSSION:**

Annually, the President's budget request to Congress has included total sales volume estimates for timber to be offered for sale by the Forest Service. Attention is given by both timber and environmental groups to the projected timber sales volume requested by the President and the volume funded by Congress through annual appropriations. Forest Service timber sales peaked in the early to mid-1980s at around 12 BBF (billion board feet) nationwide. In FY 1990, volume began to drop significantly as compared to the historical trend due, in part, to the spotted owl issue in the Pacific Northwest where roughly 25 percent of total Forest Service sales volume is achieved. Since that time, Federal court injunctions have limited timber sales in affected owl territory. In FY 1992, the Forest Service offered for sale 5.1 BBF, down from 6.2 BBF in FY 1991.

The Budget will assume a continuation of the FYs 1992 and 1993 sales levels, with additional reductions for phasing out below-cost sales (as announced in the February 17th document). Assume higher timber prices as projected by the Forest Service.

After the scheduled Forest Conference, additional sales volume could be added to reflect resolution of the problems in the Pacific Northwest. Due to sustained harvest levels and recent timber price increases, estimated Forest Service timber receipts actually increase in FY 1994 compared to actual and estimated receipts in FYs 1992 and 1993. Assuming a conservative level of timber sales in the baseline now will greatly reduce the likelihood of pay-as-you-go scoring costs from any legislation resulting from the Forest Conference. However, it may generate short-term criticism that the Administration is pre-judging the Forest Conference outcome.

## POLICY MODIFICATION SINCE FEBRUARY 17TH

**SUBJECT:** University Research and Development (R&D) Overhead

**ISSUE:**

The savings estimate in A Vision of Change for America for placing upper limits on overhead payments for civilian research and development (R&D) at colleges and universities has been modified to apply to civilian R&D generally instead of explicitly to overhead.

**DISCUSSION:**

Research grants to colleges and universities by Federal departments and agencies (notably including HHS, NSF, NASA, and Energy), cover both direct research costs and overhead costs. The February 17th plan assumed savings of \$1.2 billion in outlays from FYs 1994 through 1997 from placing limits on civilian Federal overhead payment rates on university R&D.

Major research universities strenuously objected to this policy. The budget reduction has been revised to apply to the overall level of Federally-sponsored civilian R&D at colleges and universities, no longer targeting overhead payment rates.

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THE WHITE HOUSE  
WASHINGTON

file: 94 Budget  
Investment results  
NOV 15 REC'D

DATE: Nov 13, 1993

TO: The Senior Staff

FROM: JOHN D. PODESTA  
Assistant to the President and  
Staff Secretary

The attached has been forwarded  
to the President.



EXECUTIVE OFFICE OF THE PRESIDENT  
 OFFICE OF MANAGEMENT AND BUDGET  
 WASHINGTON, D.C. 20503

November 12, 1993

THE DIRECTOR

MEMORANDUM TO THE PRESIDENT

FROM: Leon E. Panetta 

SUBJECT: Investment Funding Contained in the Final FY 1994 Appropriations Bills

You have now signed into law the thirteen FY 1994 appropriations bills. This memorandum summarizes how Congress treated your requests for investment programs and looks ahead to how that action will affect your FY 1995 Budget.

The FY 1994 Budget requested \$16.7 billion in budget authority for investment programs (i.e for new programs or for those programs in which we requested significant increases). Congress approved \$11.5 billion or 69 percent of those requests.

This rate of success brought about a significant change in the use of discretionary resources. Defense spending was reduced by five percent below FY 1993 (in nominal terms) while maintaining our commitment to a strong national defense. At the same time, funding from defense and low-priority non-defense programs was redirected toward productive investment spending.

The success rate for investment programs would have been even higher were it not for two factors.

First, our FY 1994 Budget exceeded the outlay cap of \$541.7 billion by nearly \$6 billion. The need to stay within the outlay cap forced Congress, in many cases, to make reductions in budget authority below our request.

Second, Congress approved only \$4.5 billion, or 56 percent, of the \$8.1 billion that we proposed in reductions in low-priority non-defense discretionary programs.

As we prepare the FY 1995 Budget, we intend to stay within the caps, which provide for a modest increase in budget authority but a small reduction in outlays from FY 1994 enacted levels.

	<u>FY 1994 Enacted</u>	<u>FY 1995 Cap</u>	<u>Change</u>
Budget Authority	\$501 billion	\$518 billion	+\$17 B
Outlays	\$542 billion	\$541 billion	-\$ 1 B

In order to meet the FY 1995 caps while funding our investments, we will have to propose significant reductions in

low-priority discretionary spending and work closely with the Congress to enact them.

The following is a summary of the outcome of our key FY 1994 investment proposals. (A detailed table of investments, broken down by Appropriations subcommittee, is attached.) Investment numbers represent only the increases in programs from FY 1993 levels adjusted for inflation, not the total amount appropriated.

### INFRASTRUCTURE

The Budget included a \$1.01 billion increase for mass transportation grants, other transportation programs, and Corps of Engineers water projects. Congress provided \$773 million, or 77 percent of the requested increase. However, no new funds were appropriated for a Maglev prototype or FAA systems modernization, and only \$4 million out of a \$100 million request was provided for high-speed rail development.

In addition, we requested an increase of \$2.6 billion in the obligation level for construction and repair of interstate highways and bridges under ISTEA. Congress provided \$1.8 billion, or 69 percent of that amount. This is an 11-percent increase over FY 1993.

### HEALTH AND NUTRITION

We requested a \$2.442 billion increase for public health, nutrition, and food safety programs, with a particular focus on AIDS, women's health, veterans' health care, and the WIC program. Congress provided \$1.840 billion, or 75 percent of the requested increase.

This includes \$232 million of the \$310 million requested increase for the Ryan White Act and \$273 million of the \$350 million requested increase for the Women, Infants, and Children feeding program (WIC). The Ryan White funding represents an increase of 66 percent over the FY 1993 level. The WIC funding is a 12-percent increase from FY 1993.

### HEAD START

The Budget included a \$1.3 billion increase for Head Start as the first step toward full funding of the program. Congress approved 35 percent of the proposed increase. While this is a relatively small percentage, it actually represents nearly a 20-percent increase over the FY 1993 enacted level.

## EDUCATION AND NATIONAL SERVICE

We asked for a \$1.399 billion increase for education programs, including Goals 2000, national service, compensatory education, and several others. Congress appropriated \$659 million, or 47 percent of the requested increase. This includes funds for three new programs: (a) \$105 million for Goals 2000; (b) \$370 million for national service; and (c) \$50 million for the Education Department share of the school-to-work program.

## EMPLOYMENT AND TRAINING

We requested a \$2.859 billion increase for dislocated worker assistance, school-to-work, the Job Corps, summer youth employment, and other employment-related programs. Congress appropriated \$962 million, or 34 percent of the requested increase. This included a \$587 million increase for dislocated worker assistance, which was a 116-percent increase -- more than doubling -- for that program from FY 1993. Also, the Labor Department received \$50 million for its share of the school-to-work program.

## SCIENCE, TECHNOLOGY, AND ENERGY

The Budget included \$1.3 billion in new funding for NOAA weather technology, National Institute of Standards and Technology (NIST) programs, information highways, energy research, NASA research and development, the National Science Foundation, FCCSET (Federal Coordinating Council on Science, Engineering, and Technology), and related programs. For all of these programs, Congress provided \$1.067 billion of the new funding, or 82 percent of the requested increase.

This included \$26 million for the new information highways program. Also, the increase for NIST, for such activities as high-performance computing, represented a 36-percent increase over the FY 1993 level.

## CRIME

We asked for a \$390 million increase for the Justice Department for salaries and expenses for the FBI, INS, Federal prisons, and the Community Relations Service; prisoner support; and Federal/State partnerships. Congress appropriated \$164 million, or 42 percent of the requested increase. This includes \$25 million out of \$100 million requested to hire police through Federal/State partnerships.

## HOUSING AND COMMUNITY DEVELOPMENT

We asked for a \$1.833 billion increase for a number of low-income and other housing programs, Community Development Block Grants, and Community Development Banks. Congress exceeded our request, appropriating \$2.149 billion in new funds for these programs. However, the Community Development Bank program was not funded because it has not yet been authorized.

## ENVIRONMENTAL PROTECTION AND ENHANCEMENT

The budget included a \$1.985 billion increase for the Forest Service, the Interior Department, the Energy Department and the Environmental Protection Agency for infrastructure projects to implement the Clean Water and Safe Drinking Water Acts; infrastructure improvements in national forests and parks; and energy conservation programs. Congress approved \$1.918 billion, or 97 percent of the requested increase.

## RURAL DEVELOPMENT

We requested \$560 million in new funding for rural development, housing, and wastewater treatment (supporting \$1.6 billion in new loans and loan guarantees). Congress appropriated \$374 million (supporting \$1.2 billion in loans and loan guarantees), or 67 percent of the requested increase.

**PRESIDENT'S INVESTMENT PROPOSALS**  
(in millions of dollars)

12:06 PM

11/12/93

BRB:NR

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Appropriations Bill	FY 1994 Investment Proposal		FY 1994 Enacted		FY 1994 Enacted Difference from FY 1994 Proposed	
	BA	OL	BA	OL	BA	OL
Agriculture and Rural Development.....	1,083	515	751	368	-332	-147
Commerce, Justice, State and the Judiciary.....	987	488	673	320	-314	-168
Defense.....	331	170	540	280	209	110
District of Columbia.....	---	---	---	---	---	---
Energy and Water Development.....	361	207	320	193	-41	-14
Foreign Operations.....	---	---	---	---	---	---
Interior and Related Agencies.....	556	313	310	175	-246	-138
Labor, Health and Human Services, Education and Related Agencies.....	7,134	2,578	2,733	1,242	-4,401	-1,336
Legislative Branch.....	---	---	---	---	---	---
Military Construction.....	---	---	---	---	---	---
Transportation and Related Agencies.....	888	524	659	328	-229	-196
Treasury-Postal Service and General Government.....	105	66	82	48	-23	-18
Veterans Affairs, HUD, Independent Agencies...	5,303	1,082	5,455	1,139	152	57
<b>Total, Investment.....</b>	<b>16,747<sup>1</sup></b>	<b>5,942<sup>1</sup></b>	<b>11,523</b>	<b>4,093</b>	<b>-5,224</b>	<b>-1,849</b>
Percentage of President's Proposals funded.....			68.8%	68.9%		

Note: Detail may not add to total due to rounding.

<sup>1</sup> Figures shown included in the President's April Budget. Revised priority investment request not formally transmitted:  
BA, \$13,745 million; outlays, \$4,275 million.

**AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND  
RELATED AGENCIES APPROPRIATIONS BILL, FY 1994**

**PRESIDENT'S INVESTMENT PROPOSALS**  
(in millions of dollars)

	FY 1994 Budget Investment Proposals		FY 1994 Enacted		FY 1994 Enacted Difference From FY 1994 Proposed	
	BA	OL	BA	OL	BA	OL
<b>Domestic Discretionary:</b>						
<b>Agriculture:</b>						
<b>Agricultural Research Service:</b>						
Federal Coordinating Council for Science, Engineering and Technology (research initiatives) (FCCSET).....	7	6	7	6	---	---
<b>Cooperative State Research Service:</b>						
Investment proposal will fund Cooperative forestry research and National research initiative competitive grants.....	39	9	14	3	-25	-6
Extension Service.....	1	1	1	1	-1	-1
<b>Farm Service Agency: Initiatives directly assist rural communities to improve the quality of life and increase employment opportunities, update community infrastructure, etc.....</b>						
Rural housing direct loans.....	245	84	172	63	-73	-21
Rural housing guaranteed loans.....	(330)	---	(217)	---	---	---
Rural housing guaranteed loans.....	(300)	---	(363)	---	---	---
<b>Rural Development Administration (RDA):</b>						
Rural wastewater (grants and loans).....	172	7	71	3	-101	-4
Other RDA.....	143	17	131	12	-12	-5
Rural development direct loans.....	(140)	---	(66)	---	---	---
Rural development insurance direct loans.....	(530)	---	(314)	---	---	---
Rural development insurance guaranteed loans.....	(275)	---	(274)	---	---	---
<b>Rural Electrification Administration:</b>						
Electrification and telephone loans.....	3	*	---	---	-3	*
(50)	---	---	---	---	---	---
<b>Food and Nutrition Service:</b>						
Supplemental feeding programs.....	350	320	273	249	-77	-71
The emergency food assistance program.....	40	40	---	---	-40	-40
<b>Food Safety and Inspection Service: Salaries and expenses.....</b>						
	18	14	18	14	---	---
<b>HHS:</b>						
<b>Food and Drug Administration: Salaries and expenses: Initiative provides funds for vaccine safety, implementation of the Safe Medical Device Act, and mammography quality (AIDS, women's health immunization, NIH research, other public health initiatives -- see additional funding for this priority under the Labor/HHS/Education bill) <sup>1</sup>.....</b>						
	65	18	65	18	---	---
<b>Total, Domestic Discretionary.....</b>	<b>1,083</b>	<b>515</b>	<b>751</b>	<b>368</b>	<b>-332</b>	<b>-147</b>

<sup>1</sup> Includes \$40 million detailed in the House report and \$25 million assumed to be funded because the full request was funded.

\* \$500 thousand or less

COMMERCE, JUSTICE, STATE, & JUDICIARY APPROPRIATIONS BILL, FY 1994

PRESIDENT'S INVESTMENT PROPOSALS

(In millions of dollars)

Major Program	FY 1994 Investment Proposal		FY 1994 Enacted		FY 1994 Enacted Difference From FY 1994 Proposed	
	BA	OL	BA	OL	BA	OL
<b>Domestic Discretionary:</b>						
<b>Commerce:</b>						
Economic Development Administration.....	33	3	80	8	47	5
National Oceanic and Atmospheric Administration:						
ORF: Weather satellite procurement and launch.....	76	44	7	4	-69	-40
ORF: Weather system modernization.....	127	73	120	70	-7	-3
Construction: Weather facilities.....	15	2	15	2	—	—
FCCSET: ORF.....	26	15	17	10	-9	-5
TOTAL, NOAA.....	243	135	159	86	-84	-48
National Institute of Standards and Technology:						
Scientific & Tech. Research & Services, including high performance computing and FCCSET.....	37	29	29	22	-8	-7
Working Capital Fund account.....	9	4	—	—	-9	-4
Industrial Technology Services account.....	142	46	142	46	—	—
TOTAL, NIST.....	188	79	171	68	-17	-11
Nat. Telecommunications & Information Admin.:						
Salaries and expenses.....	3	2	1	1	-2	-2
Information infrastructure grants (new program)/ Information highways (new program).....	51	1	26	1	-25	*
<b>Justice:</b>						
Federal/State partnerships (funded through OJP)....	100	19	25	6	-75	-14
Community Relations Service Salaries & expenses..	7	4	—	—	-7	-4
Support of U.S. prisoners.....	88	53	44	26	-44	-26
FBI Salaries and expenses.....	19	13	19	13	—	—
INS Salaries and expenses.....	26	20	11	9	-15	-12
Federal Prison System Salaries and expenses.....	151	105	65	55	-86	-49
TOTAL, Justice.....	390	214	164	108	-226	-105
Small Business Administration.....	68	44	68	44	—	—
Equal Employment Opportunity Commission.....	11	10	5	4	-6	-6
<b>Total, Domestic Discretionary.....</b>	<b>987</b>	<b>488</b>	<b>673</b>	<b>320</b>	<b>-314</b>	<b>-168</b>

\* \$500 thousand or less

**DEFENSE APPROPRIATIONS BILL, FY 1994**

**PRESIDENT'S INVESTMENT PROPOSALS**  
(in millions of dollars)

	FY 1994 Investment Proposals		FY 1994 Enacted		FY 1994 Enacted Difference From FY 1994 Proposed	
	BA	OL	BA	OL	BA	OL
<b>Defense Discretionary:</b>						
Operations and maintenance:						
Office of Economic Adjustment.....	12	9	22	17	10	8
O & M: Energy efficiency in Federal buildings.....	59	28	59	28	---	---
Research, development, test, and evaluation <sup>1</sup>						
Investment proposal will fund numerous dual-use programs aimed at developing technologies that have both military and civilian applications...	260	133	459	235	199	102
<b>Total, Defense Discretionary .....</b>	<b>331</b>	<b>170</b>	<b>540</b>	<b>280</b>	<b>209</b>	<b>110</b>

<sup>1</sup> Although an amendment increasing the request was not transmitted to the Congress, the Administration strongly supported a funding level of \$575 million for this investment proposal.

**ENERGY AND WATER DEVELOPMENT APPROPRIATIONS BILL, FY 1994**

**PRESIDENT'S INVESTMENT PROPOSALS**

(in millions of dollars)

Major Program	FY 1994 Budget Investment Proposals		FY 1994 Enacted		FY 1994 Enacted Difference From FY 1994 Proposed	
	BA	OL	BA	OL	BA	OL
<b>Domestic Discretionary:</b>						
Energy:						
General science and research programs: Linear Accelerator "B-Factory".....	36	27	36	27	---	---
Energy supply, Research and development activities: Five investment proposals, including \$49 million for energy efficiency in buildings.....	80	37	65	35	-15	-2
Environmental restoration & waste management..	16	8	16	8	---	---
Advanced neutron source (new program).....	26	12	---	---	-26	-12
FCCSET.....	78	35	78	35	---	---
Solar and renewable energy programs.....	29	11	29	11	---	---
Corps of Engineers: Operations and maintenance.	96	77	96	77	---	---
<b>Total, Domestic Discretionary.....</b>	<b>361</b>	<b>207</b>	<b>320</b>	<b>193</b>	<b>-41</b>	<b>-13</b>

**INTERIOR APPROPRIATIONS BILL, FY 1994**

**PRESIDENT'S INVESTMENT PROPOSALS**

(in millions of dollars)

	FY 1994 Budget Investment Proposals		FY 1994 Enacted		FY 1994 Enacted Difference From FY 1994 Proposed	
	BA	OL	BA	OL	BA	OL
<b>Domestic Discretionary:</b>						
<b>Agriculture Department:</b>						
Forest Service:						
National forest system.....	47	40	38	32	-9	-8
Construction.....	32	16	12	6	-20	-10
Forest research.....	10	8	8	6	-3	-2
State and private forestry.....	25	20	3	3	-22	-17
International forestry.....	30	24	---	---	-30	-24
<b>Interior Department:</b>						
Bureau of Land Management:						
Management of lands and resources <sup>2</sup> .....	23	20	22	19	-1	-1
Oregon and California grant lands.....	5	4	3	2	-3	-2
Geological Survey.....	13	8	4	2	-9	-5
Fish and Wildlife Service.....	43	34	27	21	-16	-13
National Park Service.....	89	67	56	42	-33	-24
Bureau of Indian Affairs: Construction.....	18	4	18	4	---	---
<b>Energy Department:</b>						
Fossil energy research and development.....	14	6	11	4	-3	-1
Energy conservation.....	182	54	86	26	-96	-29
Energy information administration.....	4	3	1	1	-3	-2
<b>Health and Human Services:</b>						
Indian Health Services.....	22	6	22	6	---	---
<b>Total, Domestic Discretionary.....</b>	<b>556</b>	<b>313</b>	<b>310</b>	<b>175</b>	<b>-246</b>	<b>-138</b>

LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1994

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PRESIDENT'S INVESTMENT PROPOSALS  
(in millions of dollars)

Major Programs	FY 1994 Investment Proposal		FY 1994 Enacted		FY 1994 Enacted Difference From FY 1994 Proposed	
	BA	OL	BA	OL	BA	OL
<b>Domestic Discretionary:</b>						
<b>Department of Education:</b>						
Education reform and initiatives:						
Investment proposals for Goals 2000: Educate America Act, School-to-work transition, Urban-rural initiative,						
Teacher professional development (new program).....	585	167	155	43	-430	-124
Compensatory education for the disadvantaged account (three activities).....	227	27	45	5	-182	-22
School improvement program: Safe schools initiative (new program).....	75	9	20	2	-55	-7
Bilingual and immigrant education account (one activity).....	1	•	1	•	•	•
Special education.....	37	4	34	4	-3	-0
Student financial assistance (new program -- State Postsecondary review).....	25	3	21	2	-4	-1
Higher education: New programs for Historically Black Colleges and Universities (new program).....	25	3	5	1	-20	-2
Education, research, statistics, and improvement (three activities).....	30	8	8	2	-22	-6
<b>Total, Department of Education.....</b>	<b>1,005</b>	<b>221</b>	<b>289</b>	<b>59</b>	<b>-716</b>	<b>-162</b>
<b>Department of Health and Human Services:</b>						
Ryan White (non-add estimate).....	(310)	(N/A)	(232)	(N/A)	(-78)	(N/A)
AIDS, Women's Health, and Other Public Health Initiatives (non-add estimate).....	(1,272)	(N/A)	(955) <sup>2</sup>	(N/A) <sup>2</sup>	(-317) <sup>2</sup>	(N/A) <sup>2</sup>
Health Resources and Services Administration (HRSA):						
Investment funds for AIDS, women's health, and other public health initiatives.....	542	175	244	79	-298	-96
Centers for Disease Control and Prevention:						
Investment funds for AIDS, women's health, and other public health initiatives.....	500	136	388	106	-112	-30
National Institutes of Health (NIH):						
Investment funds for AIDS, women's health, and other public health initiatives; FCCSET.....	190	80	190 <sup>1</sup>	80 <sup>1</sup>	• <sup>1</sup>	• <sup>1</sup>
High performance computing.....	24	10	9 <sup>1</sup>	4 <sup>1</sup>	-15 <sup>1</sup>	-6 <sup>1</sup>
Substance Abuse and Mental Health Administration:						
Investment proposal for targeted substance abuse treatment and prevention services.....	115	59	40 <sup>2</sup>	21 <sup>2</sup>	-75	-38
Health Care Policy and Research: Research into quality, cost, and effectiveness of health care.....	30	8	26	7	-4	-1
Public Health Service Management.....	26	7	10	3	-16	-4

**LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1994**

**PRESIDENT'S INVESTMENT PROPOSALS**

(in millions of dollars)

Major Programs	FY 1994 Investment Proposal		FY 1994 Enacted		FY 1994 Enacted Difference From FY 1994 Proposed	
	BA	OL	BA	OL	BA	OL
<b>Domestic Discretionary:</b>						
<b>Department of Health and Human Services (cont'd):</b>						
Health Care Financing Administration (HCFA): Program management: Assistance to States with heavy influx of migrants (new program).....	400	400	---	---	-400	-400
Administration for Children and Families (ACF):						
Payments to States for child care assistance account: Child care block grant: Provides additional funding to help low-income families pay for child care and related services.....	40	30	---	---	-40	-30
ACF: Children and families services programs/Head Start....	1,299	914	474	228	-825	-586
<b>Total, Department of Health and Human Services.....</b>	<b>3,165</b>	<b>1,719</b>	<b>1,381</b>	<b>528</b>	<b>-1,784</b>	<b>-1,181</b>
<b>Department of Labor:</b>						
<b>Employment and Training Administration (ETA):</b>						
Dislocated Worker Assistance Act (EDWAA) (discr).....	1,390	70	587	29	-803	-41
Youth apprenticeship program.....	135	16	50	6	-85	-10
Job Corps: Adopt "50-50" plan/Reduce repairs backlog.....	163	6	50	2	-113	-4
JTPA: Summer youth employment and training.....	1,000	248	206	136	-794	-112
Community services employment for older Americans account.....	21	4	10	2	-11	-2
State unemployment insurance and employment services account (SUIESO) (One-stop career shopping)....	150	30	50	10	-100	-20
Unemployment Trust Fund: Worker profiling.....	(9)	(9)	9	9	9	9
<b>Total, Department of Labor.....</b>	<b>2,859</b>	<b>373</b>	<b>962</b>	<b>184</b>	<b>-1,897</b>	<b>-178</b>
<b>Social Security:</b>						
<b>Social Security: Limitation on Administrative Expenses (LAE):</b>						
Initiative provides \$1.2 billion to invest in creation of state-of-the-art computing network for SSA and the State Disability Determination Service (job limit).....	(1,080)	100	(285)	100	(-795)	---
<b>Social Security: Limitation on Administrative Expenses (LAE):</b>						
Disability processing (job limit).....	(60)	60	(260)	260	(200)	200
<b>Social Security Administration: Supplemental security income account: Portion of LAE for automation.....</b>	<b>45</b>	<b>45</b>	<b>41</b>	<b>41</b>	<b>-4</b>	<b>-4</b>
<b>Social Security Administration: Supplemental security income account: Portion of LAE for disability processing.....</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>---</b>	<b>---</b>
<b>Total, Social Security.....</b>	<b>105</b>	<b>265</b>	<b>101</b>	<b>461</b>	<b>-4</b>	<b>196</b>
<b>Total, Domestic Discretionary.....</b>	<b>7,134</b>	<b>2,578</b>	<b>2,733</b>	<b>1,242</b>	<b>-4,401</b>	<b>-1,336</b>

<sup>2</sup> Less than \$500 thousand.

<sup>1</sup> Rough estimates; the Conference did not appropriate by investment category, so actual amounts could be higher or lower.

<sup>2</sup> Includes amounts transferred from Treasury's Special Forfeitures Fund.

TRANSPORTATION AND RELATED APPROPRIATIONS BILL, FY 1994

PRESIDENT'S INVESTMENT PROPOSALS  
(in millions of dollars)

	FY 1994 Budget Investment Proposals		FY 1994 Enacted		FY 1994 Enacted Difference from FY 1994 Proposed	
	BA	OL	BA	OL	BA	OL
<b>Domestic Discretionary:</b>						
<b>Transportation:</b>						
<b>Federal Railroad Administration (FRA):</b>						
High speed ground transportation development and MAGLEV activity.....	35	-73	---	---	-35	73
FRA: Trust fund share of high speed ground transportation (ob limit).....	(100)	100	(4)	1	(-96)	-99
<b>Federal Transit Administration: Formula grants account: Investment would upgrade rail and bus facilities and equipment, and replace rolling stock (general fund portion).....</b>						
	699	35	659	33	-40	-2
<b>Federal Aviation Administration (FAA): Facilities and equipment account.....</b>						
	107	21	---	---	-107	-21
<b>FAA: Research, engineering, and development account.....</b>						
	13	8	---	---	-13	-8
<b>FAA: Grants-in-aid for airports account (ob limit)...</b>						
	(30)	5	---	---	(-30)	-5
<b>Coast Guard capital.....</b>						
	35	6	---	---	-35	-6
<b>Federal Highway Administration (FHWA):</b>						
<b>Federal-aid highways obligation limitation: Investment proposes to fund the program fully at the level authorized in ISTEA.....</b>						
	(2,621)	410	(1,849)	289	(-808)	-121
<b>FHWA: Public land highways and Indian reservation roads.....</b>						
	(36)	6	---	---	(-30)	-6
<b>FHWA: Smart cars/Smart highways (included in FHWA ob limit; outlays included above).....</b>						
	(70)	N/A	(56)	N/A	(-14)	---
<b>National Highway Safety Transportation Administration: Highway traffic safety grants account (ob limit).....</b>						
	(32)	6	(29)	5	(-3)	-1
<b>Total, Domestic Discretionary.....</b>	<b>888</b>	<b>524</b>	<b>659</b>	<b>328</b>	<b>-229</b>	<b>-196</b>

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS BILL, FY 1994

PRESIDENT'S INVESTMENT PROPOSALS  
(in millions of dollars)

	FY 1994 Investment Proposals		FY 1994 Enacted		FY 1994 Enacted Difference From FY 1994 Proposed	
	<u>BA</u>	<u>OL</u>	<u>BA</u>	<u>OL</u>	<u>BA</u>	<u>OL</u>
<b>Domestic Discretionary</b>						
Department of the Treasury:						
Internal Revenue Service: Continued implementation of tax system modernization.....	98	59	82	48	-16	-11
General Services Administration:						
Federal buildings fund: Promote energy efficiency in Federal buildings.....	7	7	—	—	-7	-7
<b>Total, Domestic Discretionary.....</b>	<b>105</b>	<b>66</b>	<b>82</b>	<b>48</b>	<b>-23</b>	<b>-18</b>

**VA, HUD, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, FY 1994**  
**PRESIDENT'S INVESTMENT PROPOSALS**  
(In millions of dollars)

	FY 1994 Investment Proposal		FY 1994 Enacted		FY 1994 Enacted Difference from FY 1994 Proposed	
	BA	OL	BA	OL	BA	OL
<b>Domestic Discretionary:</b>						
<b>Housing and Urban Development:</b>						
Subsidized housing programs (vouchers, certificates, preservation and restoration):						
Low Income Housing Preservation.....	320	17	170	9	-150	-8
Multifamily Property Disposition.....	160	4	460	6	300	2
Other (additional vouchers).....	166	3	111	2	-55	-1
Flexible subsidy fund.....	66	16	41	10	-25	-6
Community partnership against crime (COMPAC) (new program).....	90	6	---	---	-90	-6
Drug Elimination Grants.....	---	---	265	175 <sup>1</sup>	265	175
Severely distressed public housing.....	175	---	470	---	295	---
Community development grants.....	90	4	266	11	176	7
Supportive housing program.....	166	---	180	---	14	---
Home Block Grant.....	511	10	186	4	-325	-7
Youthbuild program.....	29	---	---	---	-29	---
<b>Treasury:</b>						
Community development banks (new program).....	60	45	---	---	-60	-45
<b>Veterans Affairs:</b>						
Medical care.....	584	534	564	516	-20	-18
Construction, minor projects (energy efficiency).....	5	2	5	2	---	---
<b>Environmental Protection Agency:</b>						
Water infrastructure financing account:						
Clean water state revolving funds.....	1,198	54	1,240	56	42	2
Watershed resources restoration.....	30	15	30	15	---	---
Other.....	100	5	---	---	-100	-5
Research and development account.....	31	11	27	9	-4	-2
Abatement, control, and compliance account:						
"Green Programs".....	15	4	10	3	-5	-1
Other.....	12	4	12	4	---	---
Drinking water capitalization grants account.....	599	24	599	24	---	---
<b>National Aeronautics and Space Administration:</b>						
Research and development (civil aviation, short-haul aircraft research).....	62	39	52	33	-10	-6
High performance computing.....	12	7	12	7	---	---
<b>National Science Foundation:</b>						
FCCSET.....	256	100	230	90 <sup>2</sup>	-26	-10 <sup>2</sup>
High performance computing.....	36	17	32	15 <sup>2</sup>	-4	-2 <sup>2</sup>
Other.....	135	58	122	52 <sup>2</sup>	-13	-6 <sup>2</sup>
National Service Initiative (new program).....	394	103	370	96	-24	-7
<b>Total Domestic Discretionary.....</b>	<b>5,303</b>	<b>1,882</b>	<b>5,455</b>	<b>1,139</b>	<b>152</b>	<b>56</b>

<sup>1</sup> Funds for Community Partnership Against Crime (COMPAC) appropriated to Drug Elimination Grants, as COMPAC is not yet authorized.

<sup>2</sup> These are not line items and were not specifically addressed in report language. Calculations are based on proportion of account funded.

<sup>3</sup> \$500 thousand or less.