

# CRS Report for Congress

Received through the CRS Web

## Appropriations for FY1999: VA, HUD, and Independent Agencies

Updated November 9, 1998

Dennis W. Snook, Coordinator  
Specialist in Social Legislation  
Education and Public Welfare

Appropriations are one part of a complex federal budget process that includes budget resolutions, appropriations (regular, supplemental, and continuing) bills, rescissions, and budget reconciliation bills. The process begins with the President's budget request and is bounded by the rules of the House and Senate, the Congressional Budget and Impoundment Control Act of 1974 (as amended), the Budget Enforcement Act of 1990, and current program authorizations.

This report is a guide to one of the 13 regular appropriations bills that Congress considers each year. It is designed to supplement the information provided by the House and Senate Subcommittees on VA, HUD and Independent Agencies Appropriations. It summarizes the current legislative status of the bill, its scope, major issues, funding levels, and related legislative activity. The report lists the key CRS staff relevant to the issues covered and related CRS products.

This report is updated as soon as possible after major legislative developments, especially following legislative action in the committees and on the floor of the House and Senate.

**NOTE: A Web version of this document with active links is available to congressional staff at [<http://www.loc.gov/crs/products/apppage.html>].**

# Appropriations for FY1999: VA, HUD, and Independent Agencies

## Summary

The President signed P.L. 105-276 on October 21, 1998, completing action on FY1999 appropriations for the Departments of Veterans Affairs (VA) and Housing and Urban Development (HUD), and several independent entities including the Environmental Protection Agency (EPA), National Aeronautics and Space Administration (NASA), National Science Foundation (NSF), the Federal Emergency Management Agency, and the Corporation for National and Community Service (CNCS). Congress provided \$93.4 billion for FY1999, up from \$88.4 billion for these agencies in FY1998. The House had approved \$94.4 billion for these agencies for FY1999 in its bill (H.R. 4194); the Senate bill (S. 2168) contained \$93.3 billion; the Administration requested \$93.7 billion, according to the consistent evaluations included with the conference report (H.Rept. 105-769).

Before passage of H. R. 4194, the House had attached the language of H.R. 2, the Housing Opportunity and Responsibility Act, an authorization bill for housing programs that had passed both Chambers, but which had not reached conference. Conferees on the VA-HUD bill included a compromise version of the housing legislation in their deliberations, resulting in a sweeping reform of federal public housing programs. The final bill provides \$24.3 billion in funding for HUD programs, up \$2.9 billion over FY1998.

Overall spending for veterans programs will also increase in FY1999. P.L. 105-276 provides \$42.6 billion to VA, up \$1.6 billion over FY1998, and \$438 million more than the Administration requested. Most of this increase is for mandatory spending of \$1.3 billion for cost-of-living adjustments to benefit programs, and for increases in the expected caseload. VA discretionary appropriations are up \$336 million. Most of the increases would be for medical care and research.

Funding for NASA rises for the first time in several years — conferees provide the space agency with \$200 million more than requested, and more than either Chamber's bill included. Conferees approved additional funds for science programs, and for mission support. The Senate had criticized inter-account transfers to help pay for space station cost overruns, and specified more clearly where the money can be spent. Conferees retained the current account structure, but directed NASA to put the controversial International Space Station into a separate account for FY2000.

Conferees also increased amounts for EPA, beyond levels contained in the bills passing each Chamber. Most of the added funds were for capital projects to assist states and tribal governments in their efforts to clean up drinking water. FEMA will receive amounts similar to FY1998, and conferees did not adopt the Senate's proposed approach to advance planning for disaster mitigation. Among other independent agencies funded by the bill, NSF received a \$242 million increase over FY1998, and funding for CNCS, which administers AmeriCorps, was continued at the FY1998 level — the House bill had not contained any funding for the Corporation.

### Key Policy Staff

<b>Name</b>	<b>Area of Expertise</b>	<b>CRS Division</b>	<b>Tel.</b>
Keith Bea	Emergency Management	GOV	7-8672
Eugene Boyd	Community Development	GOV	7-8689
Michael Davey	Science and Space	STM	7-7074
Bruce Foote	Housing	E	7-7300
Martin Lee	Environmental Policy	ENR	7-7260
Ann Lordeman	National Community Service	EPW	7-2323
Christine Matthews	National Science Foundation	STM	7-7055
Bruce Mulock	Consumer Affairs	E	7-7775
Pauline Smale	Banking, Special Need Housing	E	7-7300
Dick Rowberg	National Aero. Space Admin.	STM	7-7040
Dennis Snook	Veterans Affairs	EPW	7-7314
Susan Vanhorenbeck	Housing	E	7-7300

Division abbreviations: A = American Law; E = Economics; ENR = Environment and Natural Resources; EPW = Education and Public Welfare; F = Foreign Affairs; GOV = Government; STM = Science, Technology, and Medicine.

## Contents

Most Recent Developments .....	1
Status .....	1
Total Appropriations for FY1999 for VA, HUD, and Independent Agencies .....	2
Key Policy Issues .....	3
Department of Veterans Affairs .....	3
VA Cash Benefits .....	3
Medical Care .....	3
VA Construction .....	4
Program Administration .....	4
Department of Housing and Urban Development .....	6
Housing Certificate Fund .....	7
Public Housing Programs .....	8
Native American Block Grants .....	8
Rural Housing and Economic Development .....	9
Community Planning and Development .....	9
Homeless Assistance Grants .....	10
Housing for the Elderly and Disabled .....	10
The HOME Investment Partnership Program .....	10
Youthbuild .....	11
Housing Opportunities for Persons with AIDS (HOPWA) .....	11
Lead-based Paint Reduction .....	11
Growth in Homeownership .....	11
Fair Housing .....	13
Quality Housing Opportunity and Work Responsibility Act .....	14
Environmental Protection Agency .....	14
Federal Emergency Management Agency .....	17
National Aeronautics and Space Administration .....	18
National Science Foundation .....	20
Other Independent Agencies .....	22
American Battle Monuments Commission .....	22
Chemical Safety and Hazard Investigation Board .....	22
Community Development Financial Institution Fund .....	22
Consumer Information Center .....	23
Consumer Product Safety Commission .....	23
Corporation for National and Community Service (CNCS) .....	23
Council on Environmental Quality; Office of Environmental Quality .....	24
Court of Veterans Appeals .....	24
Federal Deposit Insurance Corporation .....	24
National Credit Union Administration .....	24
Neighborhood Reinvestment Corporation (NRC) .....	24
Office of Science and Technology Policy .....	25
Selective Service System (SSS) .....	26
Selected World Wide Web Sites .....	26

## List of Tables

Table 1. Status of VA, HUD and Independent Agencies Appropriations, FY1999 .....	1
Table 2. Summary Table: VA, HUD, and Independent Agencies Appropriations	2
Table 3. Department of Veterans Affairs Appropriations, FY1994 to FY1998 ..	3
Table 4. Appropriations: Department of Veterans Affairs, FY1999 .....	5
Table 5. Department of Housing and Urban Development Appropriations, FY1994 to FY1998 .....	6
Table 6. Appropriations: Housing and Urban Development, FY1999 .....	12
Table 7. Environmental Protection Agency Appropriations, FY1994 to FY1998	15
Table 8. Appropriations: Environmental Protection Agency, FY1999 .....	16
Table 9. Appropriations: Federal Emergency Management Agency, FY1999 .	17
Table 10. National Aeronautics and Space Administration Appropriations, FY1994 to FY1998 .....	18
Table 11. Appropriations: National Aeronautics and Space Administration, FY1999 .....	19
Table 12. National Science Foundation Appropriations, FY1994 to FY1998 ..	20
Table 13. Appropriations: National Science Foundation, FY1999 .....	21
Table 14. Appropriations: Other Independent Agencies, FY1999 .....	25

# Appropriations for FY1999: VA, HUD, and Independent Agencies

## Most Recent Developments

**Final Action on P. L. 105-276.** *The President signed the FY1999 VA-HUD bill on October 21, 1998. Much of the conference on the bill was spent hammering out an agreement on Title V, the Quality Housing and Work Responsibility Act of 1998, a reform of public housing and tenant-based housing assistance that the House had added to H.R. 4194.*

**Senate Action.** *On July 17, 1998, the Senate adopted S. 2168 (S.Rept. 105-216), The Senate acted favorably on the recommendations of its Appropriations Committee, and passed the bill without shifting recommended amounts among the various components of the bill.*

**House Action.** *On July 29, 1998, the House approved H.R. 4194 (H.Rept. 105-610), adopting several floor amendments, including one containing the language of H.R. 2, The Housing Opportunity and Responsibility Act.*

**Line Item Veto.** *On June 25, 1998, the U.S. Supreme Court ruled that the Line Item Veto Act of 1996 is unconstitutional, which could restore \$14 million in vetoed FY1998 VA-HUD appropriations. Official data does not yet reflect these restored funds, and they are not included in these tables.*

**Supplemental Appropriations and Rescissions for FY1998.** *Enactment of P.L. 105-174 (May 1, 1998), provided \$2.6 billion in supplemental appropriations, including \$1.6 billion in FEMA disaster aid, mostly offset by rescissions of \$2.3 billion in unspent HUD funds. Except where noted, the changes are reflected in the totals for FY1998 spending. (CRS Report 98-123, Supplemental Appropriations and Rescissions for FY1998, by Larry Nowels, Coordinator).*

## Status

**Table 1. Status of VA, HUD and Independent Agencies  
Appropriations, FY1999**

Subcommittee Markup		House Report	Passed House	Senate Report	Passed Senate	Conference Report	Conference Report Approval		Public Law
							House	Senate	
6-18	6-9	7-8	7-29	6-12	7-17	10-5	10-6	10-8	10-21

## Total Appropriations for FY1999 for VA, HUD, and Independent Agencies

*Introduction.* The allocations for VA, HUD, and NASA comprised 86% of the total appropriations for VA, HUD, and Independent Agencies in the FY1998 appropriations bill. The FY1999 appropriations act, P. L. 105-276, continues this distribution: VA received approximately 46% of the total appropriation, HUD received 26%, and NASA received 15%.

**Table 2. Summary Table: VA, HUD, and  
Independent Agencies Appropriations**  
(budget authority in billions of \$)

Department or Agency	FY1998 Enacted	FY1999			
		Admin. Request	House- passed (H.R. 4194)	Senate- passed (S. 2168)	P.L. 105-276
Veterans Affairs	40.977	42.150	42.653	42.522	42.588
Housing and Urban Development	21.445	24.815	26.145	24.094	24.342
Environmental Protection Agency	7.363	7.790	7.423	7.413	7.560
Federal Emergency Management Agency	0.830	0.844	0.817	1.362	0.827
National Aeronautics; Space Administration	13.648	13.465	13.328	13.615	13.665
National Science Foundation	3.429	3.773	3.697	3.644	3.671
Other Independent Agencies	0.700	0.852	0.313	0.682	0.738
<b>Total Appropriations (rounded, may not add)</b>	<b>88.392</b>	<b>93.689</b>	<b>94.376</b>	<b>93.332</b>	<b>93.391</b>

Source: H.Rept. 105-769.



## Key Policy Issues

### Department of Veterans Affairs

Congress approved \$42.588 billion in appropriations for VA for FY1999, up from \$40.977 billion for FY1998 (after incorporating supplemental appropriations, and various reestimates of mandatory spending for that year). The Administration had requested \$42.150 billion for FY1999; the Senate approved \$42.522 billion; the House, \$42.653 billion. The Administration recommended a slight decrease in medical care funding — the House and Senate called for increases, and conferees settled on \$278 million more than provided in FY1998. Both Houses approved almost identical amounts for new construction projects, an amount about \$80 million more than requested — conferees accepted the levels in the bills passing the two Chambers. The final bill also added to the Administration's request for grants to states to help fund veterans' facility projects at the state level.

P.L. 105-65 provided \$40.43 billion for veterans programs in FY1998. The Administration reestimated VA mandatory spending to require \$550 million more for FY1998, and included a request for that amount in its recommendation for supplemental appropriations. P.L. 105-174, signed on May 1, 1998 provided these supplemental funds, needed mostly to fund cost of living adjustments (COLA) and additional benefits because of increased caseloads. Final estimates of VA funding for FY1998 (included with H.Rept. 105-769) totaled \$40.977 billion.

For additional information on VA programs, see CRS Report 97-266, *Veterans Issues in the 105th Congress*, by Dennis Snook.

**Table 3. Department of Veterans Affairs Appropriations,  
FY1994 to FY1998**

(budget authority in billions of current \$)

FY1994	FY1995	FY1996	FY1997	FY1998	FY1999
\$36.83	\$37.48	\$38.37	\$40.09	\$40.98	\$42.59

**Source:** CRS Report 97-204; H.Rept. 105-769.

**VA Cash Benefits.** FY1998 appropriations included \$22.1 billion for VA cash entitlement benefits, mostly service-connected compensation, pensions, and Montgomery GI-Bill education payments. Spending for the VA cash benefit programs is mandatory, and the amounts requested by the budget are based on projected caseloads. Definitions of eligibility and benefit levels are in law. For FY1999, the Administration estimates that VA entitlement programs will require \$23.3 billion in mandatory appropriations. P. L. 105-276 provides the estimated amounts.

**Medical Care.** Congress appropriated \$17.057 billion in funds for VA medical care for FY1998, an amount fairly close to the amount provided by direct appropriations for FY1997, after considering various differences in accounting

between the 2 fiscal years. Congress also enacted language in the Balanced Budget Act of 1997 (P.L. 105-33) so that net medical cost reimbursement receipts from the Medical Care Collections Fund (MCCF) remain available to VA for medical services to veterans rather than be transferred to the Treasury as under previous law; that change added an estimated \$558 million (\$543 million of which was guaranteed under P.L. 105-65) to medical care spending authority for FY1998. The Committees estimated that the MCCF collections will be \$558 million in FY1999.

For FY1999, the Administration again proposed a near freeze to medical care appropriations, requesting \$17.028 billion (various unobligated balances and carryover budget authority make estimates of frozen appropriation levels somewhat imprecise). The House approved \$17.361 billion; the Senate approved \$17.250 billion. The Conference Report encourages VA to seek further efficiencies in medical care services to expand the number of veterans who can be served with these appropriated resources. In general, the additional funds would expand outpatient care resources, fund telemedicine projects for veterans in remote areas, and provide increased access to medical care for veterans in rural areas.

The Senate added \$10 million to the Administration's request of \$300 million for medical and prosthetic research, mostly to fund research in alcoholism and its treatment, and for research on the disease *neurofibromatosis*; the House approved \$320 million. Conferees provided \$316 million in the final bill.

For additional information on VA medical care, see CRS Report 97-786, *Veterans Medical Care: Major Changes Underway*, by Dennis Snook.

**VA Construction.** For FY1999, Congress provided \$317 million in new construction project funding. For FY1998, Congress appropriated \$353 million for new construction and redirected to outpatient access projects, \$32.1 million that had been previously authorized and appropriated for a new hospital in California.

The Administration's FY1999 budget requested \$238 million in new construction spending, including \$73 million for correcting earthquake damage in San Juan, Puerto Rico and Long Beach, California, and \$69 million for increasing outpatient access in various locations. Congress added \$80 million more for construction projects than the budget requested. The additional funds would allow upgrades for facilities to occur sooner than otherwise would be possible.

The Conference Report calls for expanded outpatient access in the Wade Park facility in Cleveland, Ohio (\$21 million); renovations for nursing home care at Lebanon, Pennsylvania (\$9.5 million); and improved outpatient access in Tucson, Arizona (\$25 million). P. L. 105-276 provides \$53 million more in grants for state extended care facilities than requested, so that a \$150 million backlog of scheduled projects under the federal/state program can be accomplished more quickly.

**Program Administration.** The appropriations bill provides \$856 million for the General Operating Expenses (GOE) account for administering VA benefit programs, and \$63 million for medical care administration, for FY1999. Congress appropriated \$786 million for GOE for FY1998, and \$60 million for medical administration. Average employment requested for VA benefit programs for FY1999

is 11,221, a decrease of 125 from FY1998. Medical staff, most of whom are engaged in patient care, is expected to decline during FY1999, to 180,411 from 183,000 in FY1998.

**Table 4. Appropriations: Department of Veterans Affairs, FY1999**  
(budget authority in billions of \$)

Program	FY1998 Enacted	Admin. Request	FY1999		
			House-passed (H.R. 4194)	Senate-passed (S. 2168)	P.L. 105-276
Comp., pension, burial	20.483	21.857	21.857	21.857	21.857
Insurance/indemnities	0.051	0.046	0.046	0.046	0.046
Housing programs	0.166	0.264	0.264	0.264	0.264
Readjustment benefits	1.366	1.175	1.175	1.175	1.175
<i>Subtotal: Mandatory</i>	<i>22.067</i>	<i>23.342</i>	<i>23.342</i>	<i>23.342</i>	<i>23.342</i>
Medical care	17.057	17.028	17.361	17.250	17.306
— Cost collection guarantee <sup>a</sup>	0.015	—	—	—	—
Medical/prosthetic research	0.272	0.300	0.320	0.310	0.316
Construction, major	0.178	0.097	0.143	0.142	0.142
Construction, minor	0.175	0.141	0.175	0.175	0.175
Grants for state facilities	0.080	0.037	0.101	0.090	0.090
State veteran cemeteries	0.010	0.010	0.010	0.010	0.010
Nat'l cemetery system	0.084	0.092	0.092	0.092	0.092
General operating exp.	0.786	0.850	0.856	0.855	0.856
Admin. exp. (housing program)	0.162	0.160	0.160	0.160	0.160
Inspector General	0.031	0.033	0.033	0.036	0.036
Medical Administration	0.060	0.060	0.060	0.060	0.063
<i>Subtotal: Discretionary</i>	<i>18.910</i>	<i>18.808</i>	<i>19.311</i>	<i>19.180</i>	<i>19.246</i>
<b>Subtotal: (Veterans Affairs)</b>	<b>40.977</b>	<b>42.150</b>	<b>42.653</b>	<b>42.522</b>	<b>42.588</b>

Source: H.Rept. 105-769

<sup>a</sup> Receipts of the Medical Care Collections Fund (MCCF) are available for spending in the Medical Care account, and \$558 million in additional funds from this source are estimated for both FY1998 and FY1999. P.L. 105-65 guaranteed that \$543 million would be obtained for FY1998; the guarantee is assumed to require \$15 million in appropriations.

## Department of Housing and Urban Development

According to H.Rept. 105-769, P. L. 105-276 provides \$24.34 billion for programs of the Department of Housing and Urban Development (HUD) for FY1999; after taking into consideration the rescissions of P.L. 105-174, the appropriated amount is a \$2.9 billion increase over FY1998 levels. In addition, Title V of the VA-HUD bill is a sweeping reform of the Department's public housing and tenant-based housing assistance programs; the authorizing language of Title V occupies three-quarters of the bill's total length.

For further information on this significant change in federal housing policy, see CRS Report 98-860, *Housing the Poor: Federal Housing Programs for Low-Income Families*, by Morton J. Schussheim; and CRS Report 98-868, *Public Housing and Section 8 Reforms: The Quality Housing and Work Responsibility Act of 1998*, by Richard Bourdon.

According to the Conference Report, President Clinton requested \$24.8 billion in HUD appropriations for this fiscal year. High points of the President's request for HUD include: increases in affordable housing; 103,000 new housing vouchers; increases in the Community Development Block Grant (CDBG) and Community Empowerment funds; extensions of the HOME program and the creation of a HOME "bank"; increases in housing assistance for the homeless and persons with AIDS; and changes in the FHA mortgage credit program.

The Senate approved a \$24.1 billion budget for HUD in FY1999, the House approved \$26.1 billion for HUD. The House and Senate differed in amounts appropriated for components of the Housing Certificate Fund, and in their treatment of Federal Housing Authority (FHA) administrative expenses, as well as in various earmarks and program subcategories. Conferees approved more than either House's bill for the Housing Certificate Fund, in part because of concerns expressed by the Administration that the reforms in federal housing programs contained in Title V would have an adverse effect on very low-income families on waiting lists for public housing. The Conference Report endorses 50,000 additional vouchers to address these concerns.

For further information on the President's FY1999 budget request for HUD, see CRS Report 98-345, *Budget of the Department of Housing and Urban Development (HUD) for FY1999*, by Susan Vanhorenbeck, Bruce E. Foote, and Pauline Smale.

**Table 5. Department of Housing and Urban Development  
Appropriations, FY1994 to FY1998**

(budget authority in billions of current \$; net after rescissions)

FY1994	FY1995	FY1996	FY1997	FY1998	FY1999
\$24.87	\$20.09	\$19.13	\$16.30	\$21.44	\$24.34

Source: CRS Report 97-204; H.Rept. 105-769.

**Housing Certificate Fund.** According to the Conference Report, the President requested a total of \$8.98 billion for various vouchers and other forms of Section 8<sup>1</sup> housing assistance, financed through the Housing Certificate Fund. Among the specific uses requested for these funds are the following: Section 8 contract renewals, Section 8 contract amendments, protection of housing tenants affected by non-renewals (i.e., Section 8 relocation assistance), and regional opportunity counseling. The Senate approved funding of \$10.01 billion for the Housing Certificate Fund in FY1999, offset in part by \$1.4 billion in rescissions. The House approved \$10.2 billion. Conferees provided \$10.3 billion, offset by \$1.65 billion in rescissions. Details on the uses of these funds follow.

For information on Section 8 issues, see CRS Report 96-667, *Section 8: Past, Present, and Future*, by Susan Vanhorenbeck.

**Expiring Rental Contracts.** HUD proposed \$7.2 billion for renewing all Section 8 contracts due to expire in FY1999, assuming the cooperation of the project owners. HUD had identified approximately \$3.7 billion in recaptured Section 8 reserve funds which also could be used to renew contracts in FY1999, bringing the total available for renewals to \$10.9 billion. HUD estimated that this amount was sufficient to renew expiring contracts for 2,046,231 units.<sup>2</sup> However, the Supplemental Appropriations and Rescissions Act of FY1998 rescinded \$2.3 billion of the Section 8 reserve fund. (During deliberations on the supplemental bill, Congress said that it would appropriate the amount of the rescinded funds to HUD for the FY1999 Section 8 contract renewals.) The Senate approved \$9.54 billion for Section 8 contract renewals in FY1999; the House approved \$9.60 billion; the Conference approved the House amount.

HUD would continue to renew these contracts through the “mark-to-market” restructuring program established in the VA-HUD FY1998 Appropriations Act, and estimates that \$562 million will be saved from funds that would otherwise be expended on contracts inflated beyond market rates.

For more information on these issues, see CRS Report 97-264, *The Problem of Section 8 Expiring Contracts*, by Susan M. Vanhorenbeck.

**Section 8 Amendments.** The President requested \$1.3 billion in budget authority for contract amendments in FY1999. Another \$463 million of Section 8 reserves recaptured from local housing programs would also be available, bringing the total for contract amendments to \$1.8 billion in FY1999. HUD has stated that it will pursue a number of savings proposals for the Section 8 program in FY1999, and continue savings provisions of the FY1998 appropriations act. The Senate did not agree with the President’s request and provided no appropriation for Section 8

---

<sup>1</sup> Section 8, of the Housing Act of 1937 (as amended), provides subsidies for rental housing for low-income families.

<sup>2</sup> U.S. Department of Housing and Urban Development: *Congressional Justifications for 1999 Estimates*. p. R-2.

amendments in FY1999. In fact, the Senate bill rescinds \$1.4 billion in Section 8 project-based reserves. The House approved \$97 million for Section 8 amendments. The Conference bill concurred with the Senate, providing no funds for Section 8 amendments, and raised the rescinded amount to \$1.650 billion.

***Relocation Assistance.*** The Administration anticipates that not all owners of Section 8 assisted housing may be willing to renew their contracts. The Housing Certificate Fund will provide funding for those families that are affected if a contract renewal does not take place. The President requested \$374 million for the housing tenants' protection in FY1999, which would be used to subsidize tenants who are displaced or whose rents increase as a result of the restructuring of the Section 8 program. The Administration estimates that this amount would aid approximately 32,000 families in this situation. In addition, \$60 million would be used to fund 10,655 additional vouchers to help low income families move into subsidized housing. The Senate approved the \$434 million for this program for FY1999; the House concurred, and the Conference bill includes these levels.

***Regional Opportunity Council.*** The President requested \$20 million in new funding for the Regional Opportunity Counseling program (ROC). HUD also asked that a portion of Section 8 funds be set-aside within the Housing Certificate Fund to reward public housing authorities that successfully reduce the poverty concentration of families using tenant-based assistance.<sup>3</sup> The Senate bill does not contain this proposal; the House provides \$10 million; P. L. 105-276 accepts the House level.

***Public Housing Programs.*** HUD began a serious transformation of the public housing system in FY1993, and the FY1999 budget request continues this endeavor. The President proposed \$283 million to assist families in which the primary worker is making the transition from welfare to work. The FY1999 budget request also proposed \$2.55 billion for the public housing capital fund, \$2.818 billion for the public housing operating fund, \$310 million for drug elimination grants, and \$550 million for the revitalization of severely distressed public housing (HOPE VI).

The Senate bill provides \$2.818 billion for public housing operating funds; \$2.55 billion for public housing capital fund; \$310 million for drug elimination grants, and \$600 million for the HOPE VI severely distressed public housing program. The House agreed with the Senate on operating funds, approved \$3 billion for the capital fund, \$290 million for drug elimination, and \$600 million for HOPE VI. \$100 million in welfare-to-work was approved by the House, with the funds allocated through the Housing Certificate Fund. The Conference bill approved the requested \$283 million for welfare-to-work assistance, \$625 million for HOPE, and accepted the House level of \$3 billion for the capital fund.

***Native American Block Grants.*** Under the Native American Block Grant, eligible Indian tribes or their Tribally Designated Housing Entities receive funds which can be used for a variety of activities that would increase their supply of affordable housing. The President requested \$600 million for the Native American

---

<sup>3</sup> U.S. Department of Housing and Urban Development Fiscal Year 1999 Budget Summary: *Closing the Opportunity Gap*. p. 25.

Housing Block Grant for FY1999, the same as funded for FY1998. Also requested are \$11 million in new funds for loan guarantees patterned after the Community Development Block Grant Section 108 program. The Senate approved \$600 million; the House approved \$620 million; the Conference approved the House level.

**Rural Housing and Economic Development.** The Senate approved creation of a new Office of Rural Housing and Economic Development, to channel federal funds for revitalizing housing projects in rural areas, and for ideas for economic development in such areas. Money would be distributed through nonprofit agencies at the community level. The Senate approved \$35 million for the Office; conferees included \$25 million for the Office in the final bill.

For more information on public housing issues, see CRS Report 97-169, *Housing Issues in the 105th Congress*, by Richard Bourdon.

**Community Planning and Development.** P. L. 105-276 includes a number of programs under the general category of Community Planning and Development.

**Community Development Block Grant.** The Community Development Block Grant (CDBG) program is the largest source of federal assistance to state and local government for housing rehabilitation, economic development, and neighborhood revitalization. P.L. 105-276, appropriates \$4.750 billion in CDBG assistance for FY1998. The Administration requested \$4.725 billion for CDBG. Responding to criticism of the increased use of earmarked program funds within CDBG (set asides) in the program's FY1998 appropriation, the Administration's FY1999 budget requested \$292 million for set aside activities, \$187 million less than the \$479 million appropriated for FY1998. For FY1999, P. L. 105-276, increases the amount of funds targeted for such set asides by \$47.8 million to \$526.8 million

In passing P.L. 105-276, Congress, as recommended by the Administration, continued funding a number of programs as CDBG set asides including Habitat for Humanity, and the Resident Opportunity and Supportive Services (ROSS). Congress did not provide funding for a new CDBG set aside program proposed by the Administration — the Regional Connection Initiative (RCI). The initiative was intended to assist communities and states develop regional strategies to address issues facing metropolitan areas. Congress also rejected the President's budget proposals that recommended eliminating other CDBG set asides, including the Neighborhood Initiative Program, the Housing Assistance Counseling, the Rural/Tribal Initiative, the Community Outreach Partnership, and the Capacity Building program. All of these programs are included as CDBG set aside activities.

Several programs and activities funded as set asides in FY1998 were proposed as free standing programs for FY1999. The Administration's FY1999 budget recommended converting Youthbuild, Lead Base Paint Reduction, and Economic Development Initiative (EDI) — to be renamed the Community Empowerment Fund (CEF) — into free standing programs. The new CEF program would have continue to be used in conjunction with Section 108 loan guarantees and is intended to support job opportunities for persons moving from welfare-to-work. P.L. 105-267, continues Youthbuild and EDI as CDBG set asides. The Lead Based Paint Hazard Reduction program receives \$80 million under a separate appropriation account.

The Act, P.L. 105-276, includes several provisions amending the CDBG authorizing statute including identifying brownfield redevelopment as an eligible CDBG activity and prohibiting the use of CDBG funds to facilitate the relocation of jobs from one location to another.

For additional information on these programs, see CRS Issue Brief 98026, *Community Development Block Grants: Funding and Other Issues in the 105<sup>th</sup> Congress*, by Eugene Boyd.

**Homeless Assistance Grants.** The President's budget request for homeless assistance includes funding for both grants and Section 8 vouchers. The President proposed \$1.15 billion for Homeless Assistance Grants in FY1999, an increase of 40% over the FY1998 appropriation of \$823 million. The request included \$958 million to be distributed through HUD's participation in comprehensive strategies for addressing homelessness, and \$192 million for 34,000 new Section 8 vouchers targeted to homeless families or individuals ready to make the transition from temporary to permanent housing after counseling. One percent of the voucher funding would be available for technical assistance (the House approved this proposal, and the conferees concurred).

The Senate approved \$1 billion for homeless assistance grants. The Senate report recommended that 30% of homeless assistance grant funding be used for permanent housing for the homeless; conferees concurred. The House approved \$975 million for homeless grants; the Conference approved the levels in the House bill.

**Housing for the Elderly and Disabled.** The President's budget proposal for FY1999 would operate housing for the elderly and disabled (Section 202 and Section 811 programs) as a component of the HOME Investments Partnership Programs.

The Senate adopted separate funding for both: \$676 million for the Section 202 program and \$194 million for the Section 811 program. The Report language also recommended that 25% of the appropriated funding for housing for the disabled be permitted to provide housing vouchers for the disabled. The House bill does not separate the funding, recommended at \$839 million.

P. L. 105-276 appropriates separate funding for both programs, \$660 million for the Section 202 program and \$194 million for the Section 811 programs. Up to 25% of appropriated Section 811 may be used for vouchers for the disabled.

**The HOME Investment Partnership Program.** The HOME program makes funds available to participating jurisdictions to increase the supply of housing and homeownership for low-income families. States and localities have the option of using HOME funds for a variety of housing activities.<sup>4</sup> The President's budget requests \$1.88 billion for the HOME program in FY1999, including \$1.5 billion for

---

<sup>4</sup> U.S. Department of Housing and Urban Development: *Congressional Justifications for 1999 Estimates*. p. G-1.



HOME grants, \$25 million for housing counseling, and \$333 million for housing the elderly and disabled.

The Senate approved a FY1999 appropriation of \$1.55 billion, \$333 million less than requested by the Administration, and rejected an Administration proposal to consolidate the Section 202 Elderly and Handicap Housing Program into the HOME program. The House approved an increase of \$100 million above the FY1998 appropriation of \$1.5 billion, \$50 million more than approved by the Senate. Conferees approved \$1.6 billion for the Investment Partnerships, earmarking \$17.5 million for housing counseling activities.

For further information, see CRS Report 97-352, *The Home Program in the 105<sup>th</sup> Congress*, by Eugene Boyd

**Youthbuild.** The Youthbuild program, which provides supervised education and job training to teenaged residents in public housing, was funded as a \$35 million set aside of the CDBG program in FY1998. The President requested that, for FY1999, Youthbuild be funded as an independent program with \$45 million. The Senate approved \$40 million as a set-aside under CDBG. The House also did not include a separate appropriation for the Youthbuild program, but agreed that Youthbuild activities could be funded as a set-aside under the CDBG program. P. L. 105-276, continues the Youthbuild program as a \$42.5 million CDBG set aside program. This includes \$2.5 million for capacity building activities.

**Housing Opportunities for Persons with AIDS (HOPWA).** This program provides grants to states, localities and nonprofit organizations to meet the housing needs of individuals with HIV/AIDS and their families. The President has requested an FY1999 appropriation of \$225 million for the HOPWA program. This would be an increase of 10% above the FY1998 appropriation of \$204 million. The Senate bill contains \$225 million for HOPWA in FY1999. The House Committee's similar recommendation was reduced by \$21 million as a result of an amendment on the House floor (which would have funded the program at FY1998 levels). The reduction in HOPWA funds was intended as an offset for increased funds given by the amendment to VA for use as grants to states for veterans extended care facilities. Conferees approved \$215 million for HOPWA.

**Lead-based Paint Reduction.** The President requested \$85 million for the Lead-based Paint Reduction program for FY1999. In the FY1998 budget the program was funded as a set aside in the CDBG program. The Senate approved \$60 million as a set aside under CDBG; the Administration had proposed that lead-based paint reduction be funded as an independent program. The House bill provides \$80 million in direct appropriations. P. L. 105-276, established the program as a free standing activity and not as a CDBG set aside. The Act appropriates \$80 million for lead based paint hazard reduction activities.

**Growth in Homeownership.** In 1995, President Clinton pledged to reach a homeownership rate of 67.5% by the year 2000, up from its then current rate of 64.7%. The Administration believes that "nothing manifests the American dream

more than owning a home.”<sup>5</sup> The budget proposed to raise the home mortgage loan insurance limits of the Federal Housing Administration (FHA) to the Freddie Mac/Fannie Mae limit.

P. L. 105-276 amends the National Housing Act to provide that FHA-insured loans on one-family homes will be limited to 95% of the median price for an area, subject to the restriction that the limits may not be less than 48% of the Freddie Mac limit nor greater than 87% of the Freddie Mac limit. Given the present Freddie Mac limit of \$227,150, the legislation provides that limits for FHA-insured loans on one-family homes may range between \$109,032 and \$197,620.

For more information on programs on FHA mortgage limits, see CRS Report 98-421, *Raising the FHA Mortgage Limit: Issues and Options*, by Bruce E. Foote.

**Table 6. Appropriations: Housing and Urban Development, FY1999**  
(budget authority in billions of \$)

Program	FY1998 Enacted	FY1999			
		Admin. Request	House- passed (H.R. 4194)	Senate- passed (S. 2168)	P.L. 105-276
Housing certificate fund	9.373	8.981	10.241	10.014	10.327
<i>Expiring Section 8 contracts</i>	<i>(8.180)</i>	<i>(7.191)</i>	<i>(9.60)</i>	<i>(9.540)</i>	<i>(9.600)</i>
<i>Section 8 amendments</i>	<i>(0.850)</i>	<i>(1.337)</i>	<i>(.097)</i>	<i>0</i>	<i>0</i>
<i>Section 8 relocation assistance</i>	<i>(0.343)</i>	<i>(0.434)</i>	<i>(.434)</i>	<i>(0.434)</i>	<i>(.434)</i>
<i>Regional opportunity counseling</i>	<i>0</i>	<i>(0.020)</i>	<i>(.010)</i>	<i>0</i>	<i>(.010)</i>
<i>Welfare-to-work hsng. vouchers</i>	<i>0</i>	<i>0</i>	<i>(.100)</i>	<i>0</i>	<i>(.283)</i>
<i>Self-sufficiency incrementals</i>	<i>0</i>	<i>0</i>	<i>—</i>	<i>(0.040)</i>	<i>0</i>
<i>Sect. 8 rescissions (P.L. 105-174)<sup>a</sup></i>	<i>-2.347</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>
<i>Sect. 8 project-based rescissions</i>	<i>0</i>	<i>0</i>	<i>—</i>	<i>-1.400</i>	<i>-1.650</i>
Welfare-to-work hsng. vouchers	0	0.283	0	0	0
Public housing capital fund	2.500	2.550	3.000	2.550	3.000
Pub. housing modernization fund	2.900	2.818	2.818	2.818	2.818
Current year rescissions	-0.550	0	0	0	0
Drug elimination grants	0.310	0.310	0.290	0.310	0.310
Distressed pub. hous. (HOPE)	0.550	0.550	0.600	0.600	0.625
Native American hsng. blk. grants	0.600	0.600	0.620	0.600	0.620
Indian hsng. loan guar.	0.005	0.006	0.006	0.006	0.006
Title VI Indian loan guar.	0	0.005	0	0	0
Capital preservation loans	0.010	0	0	0	0
Rural Hsng.; Econ. Development	0	0	0	0.035	0.025
Housing for persons with AIDS	0.204	0.225	0.204	0.225	0.215

<sup>5</sup> U.S. Department of Housing and Urban Development Fiscal Year 1999 Budget Summary: *Closing the Opportunity Gap*. p. 14.

Program	FY1998 Enacted	FY1999			
		Admin. Request	House-passed (H.R. 4194)	Senate-passed (S. 2168)	P.L. 105-276
Economic development initiative	0	0.400	0	0 <sup>b</sup>	0 <sup>b</sup>
Community Devel. Block Grants	4.805	4.725	4.725	4.750	4.750
Homeless Assistance Grants	0.823	1.150	0.975	1.000	0.975
HOME Investment Partnerships	1.500	1.883	1.600	1.550	1.600
Brownfields Initiative	0.025	0.050	0	—	0.025
Youthbuild	0	0.045	0	0 <sup>c</sup>	0 <sup>c</sup>
Section 108 loan guarantee	0.030	0.030	0.030	0.030	0.030
Empowerment zones, partnrshps.	0.005	0	0	0	0
Supportive hsng. (rescission)	-0.010	—	—	0	0
<i>Subtotal: Pub., Indian Hsng. (net)</i>	<i>(20.733)</i>	<i>(24.611)</i>	<i>(25.109)</i>	<i>(23.113)</i>	<i>(23.676)</i>
Rental hsng. assist. (rescission)	-0.125	—	0	0	0
Office of lead hazard control	0	0.085	0.080	0 <sup>d</sup>	0.080
Housing, elderly and disabled	0.839	0	0.839	0.870	0.854
Federal Housing Administration <sup>e</sup>	0.201	0.271	-0.033	-0.033	-0.033
Research and technology	0.037	0.050	0.048	0.037	0.048
GNMA Funds	0.009	0.009	0.009	0.009	0.009
Fair housing activities	0.030	0.052	0.040	0.035	0.040
Inspector General	0.041	0.035	0.050	0.035	0.050
Salaries and expenses	0.446	0.472	0.457	0.464	0.457
Offsetting receipts	-0.204	-0.370	-0.370	-0.370	-0.370
Admin. provisions (net)	-0.562	-0.400	-0.083	-0.065	-0.468
<b>Subtotal (HUD) (net) (rounded, may not add)</b>	<b>21.445</b>	<b>24.815</b>	<b>26.145</b>	<b>24.094</b>	<b>24.342</b>

Source: H.Rept. 105-769

<sup>a</sup> Rescissions to unspent appropriations from previous years; offset against appropriations of the current year.

<sup>b</sup> Would be funded as a \$85 million set-aside in the Community Development Block Grant.

<sup>c</sup> Would be funded as a \$40 million set-aside in the Community Development Block Grant.

<sup>d</sup> Would be funded as a \$60 million set-aside in the Community Development Block Grant.

<sup>e</sup> Net FHA expenditures, after certain administrative costs are reconciled with other administrative accounts, administrative receipts, and reduced loan account cross subsidies.

**Fair Housing.** In an effort to end housing discrimination, the President requested increases for the Fair Housing Initiatives and the Fair Housing Assistance Program. The Initiatives program funds private, nonprofit organization's efforts to enhance compliance with Fair Housing requirements; the Assistance program reimburses state and local governments for certain aspects of their Fair Housing compliance programs. Fair Housing Initiatives would receive \$29 million, \$14 million more than in FY1998, and Fair Housing Assistance, \$23 million, an \$8 million increase over last year's level, under the President's FY1999 request for

HUD. The Senate approved \$20 million for the Fair Housing Assistance program in FY1999 and \$15 million for the Fair Housing Initiatives Program. The House approved \$40 million for the two programs; conferees accepted the House levels.

For further information on housing programs, and on programs intended to revitalize communities, and on proposed reform of those programs, see CRS Report 98-345, *Budget of the Department of Housing and Urban Development (HUD) for FY1999*, by Susan Vanhorenbeck, Bruce E. Foote, and Pauline Smale.

**Quality Housing Opportunity and Work Responsibility Act.** In 1997, two versions of a housing authorization bill (H.R. 2 and S. 462) were introduced in Congress. Both bills would reform the public housing system as well as other housing programs under the HUD jurisdiction. Both bills passed their respective houses, but they never went to conference, and differences between them remained unresolved. During House floor action on the FY1999 VA-HUD appropriations bill (H.R. 4194), an amendment was adopted that attached the essential language of H.R. 2, the Housing and Opportunity and Responsibility Act. Conferees deliberated issues in H. R. 2 and S. 462, and with participation of the Administration, completed work on this major authorization of federal housing programs.

Under the new law, well-run public housing agencies will have more freedom to operate; poorly run agencies will be held more accountable; more working families with higher incomes will live in public housing that is now largely occupied by the poorest of the poor; and some residents will be required to perform 8 hours a month of community service. In both public housing and Section 8 programs, it will be easier to evict tenants who commit crimes and cause problems. A home rule flexible grant demonstration program will allow some local governments (rather than public housing agencies) to receive federal housing funds to develop creative approaches for providing affordable housing. A new Section 8 housing voucher program will be more landlord-friendly and more market-driven. Most provisions in the new law become effective October 1, 1999.

For further information on this significant change in federal housing policy, see CRS Report 98-860, *Housing the Poor: Federal Housing Programs for Low-Income Families*, by Morton J. Schussheim; and CRS Report 98-868, *Public Housing and Section 8 Reforms: The Quality Housing and Work Responsibility Act of 1998*, by Richard Bourdon.

For more information on the previous housing authorization bills, see CRS Report 98-443, *Housing Authorization Bills: Overview of H.R. 2 and S. 462*, by Susan Vanhorenbeck.

## **Environmental Protection Agency**

The President's FY1999 request for the Environmental Protection Agency (EPA) sought \$7.8 billion in spending authority — including \$650 million in advance FY1999 appropriations — or 6% more than the \$7.4 billion appropriated for FY1998. Both the Senate and House approved about \$7.4 billion, roughly \$400 million below the request and marginally greater than current year funding. Conferees approved

and P.L. 105- 276 included \$7.6 billion. The FY1999 Omnibus Appropriations Act, P.L. 105-277, added \$30 million more for FY1999.

Two major issues have been whether Superfund cleanups should be accelerated in the absence of statutory reforms and whether the requested state assistance funds are adequate. In approving \$1.5 billion for Superfund, both Chambers rejected the Administration’s request to expand Superfund by \$650 million, although the conferees have authorized an additional \$650 million for FY1999 if reauthorization occurs by August 1, 1999. The final bill added funds to the requested amounts for states and localities.

Another issue drawing the Administration’s attention to the VA-HUD bill is its treatment of EPA’s controversial global change activities. As recommended by both Appropriations Committees, the conferees denied most of the requested increase of roughly \$80 million for climate change activities, as well as additional research funds. The House Committee adopted a rider, or bill language, prohibiting EPA from spending FY1999 funding on certain activities, including education, relative to implementing the yet-to-be ratified Kyoto Protocol to reduce greenhouse gases; the full House later adopted an amendment allowing expenditures on educational and outreach activities. The Senate Committee included report language prohibiting EPA from implementing the treaty. The conferees included bill language in P.L. 105-276 prohibiting EPA from spending funds on activities which would implement the treaty. P.L. 105-277, the Omnibus Appropriations Act, included \$10 million in additional funds for global climate activities. The Administration supports the Protocol as an international response to global warming.

**Table 7. Environmental Protection Agency Appropriations, FY1994 to FY1998**

(budget authority in billions of current \$)

FY1994	FY1995	FY1996	FY1997	FY1998	FY1999
\$6.7	\$6.7	\$6.5	\$6.8	\$7.4	\$7.6

Source: CRS Report 97-204; H.Rept. 105-769

In a compromise with the Administration, the Congress provided \$1.5 billion for the Superfund program for FY1998, and agreed to provide another \$650 million in FY1999, provided that the Superfund program was reauthorized by May 15, 1998, which did not happen. For FY1999, Congress in P.L. 105-276 provided \$1.5 billion and authorized an additional \$650 million if Superfund is reauthorized by August 1, 1999. For more detailed information on the Superfund, see CRS Issue Brief 97025, *Superfund Reauthorization Issues in the 105th Congress*, by Mark Reisch.

Addressing the major capital needs of states and localities for wastewater and drinking water cleanup remains a congressional concern. To assist states and tribal governments with these capital projects, the budget sought \$2.9 billion, 9.6 % less than current year funding; conferees approved a total of \$3.4 billion. Conferees added clean water state revolving funds (\$1.1 billion proposed; \$1.4 billion

approved); approved the requested drinking water state revolving funds (\$775 million proposed and approved), reduced Mexican Border projects (\$100 million; \$50 million approved), added-on to state and tribal grants (\$875 million proposed; \$880 million approved), and expanded special grants (\$78 million; \$302 million approved). The Senate Budget Resolution, S.Con.Res. 86, disapproved of the Administration's proposed decrease in clean water assistance. Both Houses and the conferees approved most of the requested \$145 million increase for EPA's portion of the President's Clean Water Initiative. The FY1999 Omnibus Appropriations Act, P.L. 105-277, included an additional \$20 million for Boston Harbor wastewater treatment facilities

**Table 8. Appropriations: Environmental Protection Agency, FY1999**  
(budget authority in billions of \$)

Program	FY1998 Enacted	FY1999			
		Admin. Request	House- passed (H.R. 4194)	Senate- passed (S. 2168)	P.L. 105-276
Science and Technology (including transfers from Superfund)	0.666	0.674	0.697	0.684	0.690
Environmental programs, compliance (management)	1.801	1.994	1.856	1.841	1.848
Office of Inspector General	0.040	0.043	0.043	0.043	0.043
Buildings and facilities	0.109	0.053	0.061	0.053	0.057
Superfund (net, after transfers)	1.453	2.040	1.448	1.448	1.448
Leaking Underground Storage Tank Trust Fund	0.065	0.071	0.070	0.075	0.073
Oil spill response	0.015	0.017	.0015	0.015	0.015
State and tribal assistance grants	3.213	2.903	3.233	3.255	3.387
<b>Subtotal (EPA) (rounded, may not add)</b>	<b>7.363</b>	<b>7.795<sup>a</sup></b>	<b>7.423</b>	<b>7.413</b>	<b>7.560</b>

**Source:** H.Rept. 105-769.

For information on wastewater treatment issues, see CRS Report 98-323, *Wastewater Treatment: Overview and Background*; for clean air issues, see CRS Issue Brief 97007, *Clean Air Act Issues*, by James McCarthy. For additional detail on clean air issues, see CRS Report 97-8, *Air Quality: EPA's Proposed New Ozone and Particulate Matter Standards*, by John Blodgett and James McCarthy. For more detailed information on EPA and its budget, see CRS Issue Brief 98031, *Environmental Protection Agency: Analysis of Key Budget Issues*, by Martin Lee.

## Federal Emergency Management Agency

The Federal Emergency Management Agency (FEMA) helps states and localities prepare for and cope with disasters that overwhelm their own capabilities. FEMA administers policies related to emergency management and planning, disaster relief, fire prevention, earthquake hazard reduction, emergency broadcasting services, flood insurance, mitigation programs, and dam safety. For further information, see CRS Report 97-159, *FEMA and Disaster Relief*, by Keith Bea.

**Table 9. Appropriations: Federal Emergency Management Agency, FY1999**

(budget authority in billions of \$)

Program	FY1998 Enacted	FY1999			
		Admin. Request	House-passed (H.R. 4194)	Senate-passed (S. 2168)	P.L. 105-276
Disaster relief	0.320	0.308	0.308	0.846	0.308
Pre-disaster mitigation	0	0.050	0	0	0
Disaster loan subsidy	0.002	0.002	0.002	0.002	0.002
Salaries and expenses	0.172	0.172	0.171	0.170	0.171
Inspector General	0.005	0.005	0.005	0.005	0.005
Emergency mgmt., planning, assistance	0.244	0.207	0.232	0.239	0.241
Emergncy. food, shelter	0.100	0.100	0.100	0.100	0.100
Administrative savings	-0.012	0	0	0	0
<i>Supplemental approp., contingent emergency funds for disaster relief</i>	<i>(1.600)</i>	<i>(0.626)</i>	—	—	—
<b>Subtotal* (FEMA) (rounded, may not add)</b>	<b>0.830</b>	<b>0.844</b>	<b>0.817</b>	<b>1.362</b>	<b>0.827</b>

Source: H.Rept. 105-769

\* Does not include funds requested for disaster relief contingent on presidential and congressional agreement that emergency need exists.

Disaster relief is authorized by the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act). The Act authorizes the President to declare major disasters or emergencies (the latter provide considerably less federal assistance than the former), sets out eligibility criteria, and specifies types of assistance that may be authorized. Funding varies from year-to-year, by the severity and frequency of declared catastrophes. In recent years, billions have been appropriated to help communities recover from tornados, hurricanes, floods, earthquakes, and other incidents.

Members of Congress have voiced general support for the Administration's emphasis in recent years on disaster mitigation, but disagree on specifics. Instead of agreeing to the request for separate funding for the Project Impact Mitigation efforts, the House and Senate panels set aside roughly half the amount requested in the existing account that funds state and local emergency preparedness activities ("emergency management, planning and assistance," or EMPA). Also, the House subcommittee with jurisdiction over FEMA appropriations has raised concerns about the process used by FEMA to identify mitigation priorities. The Senate panel report noted concern with the administration of existing mitigation authority, and has requested that the General Accounting Office review federal and non-federal mitigation activities.

### **National Aeronautics and Space Administration**

For FY1999, National Aeronautics and Space Administration (NASA) requested \$13.46 billion, \$183 million below the FY1998 appropriation. (NASA's budget request can be found at [<http://ifmp.nasa.gov/codeb/budget>]). The Senate approved \$13.62 billion for FY1999, 1.1% above the request but 0.2% below FY1998. The Senate also deleted the Human Space Flight account and created two others, the "International space station" and the "Launch vehicle and payload operations" accounts, in order to increase accountability of the space station activities. It also deletes the "Science, aeronautics, and technology" account and created two new others, the "Science and technology" and "Aeronautics, space transportation, and technology" accounts, in order to protect the latter from future budget reductions. The House approved \$13.328 billion for FY1999, 2.1% below the request and 1.0% below last year. Although separate appropriation objectives continue to be identified, the House did not alter the formal account structure. The final bill provides \$13.665 billion for FY1999, 1.4% above the request and 0.1% above FY1998. The conferees retained the current NASA account structure, but directed NASA to put the International Space Station (ISS) in a separate account in its FY2000 submission.

**Table 10. National Aeronautics and Space Administration  
Appropriations, FY1994 to FY1998**  
(budget authority in billions of current \$)

<b>FY1994</b>	<b>FY1995</b>	<b>FY1996</b>	<b>FY1997</b>	<b>FY1998</b>	<b>FY1999</b>
\$14.55	\$14.00	\$13.88	\$13.71	\$13.65	\$13.67

**Source:** CRS Report 97-204; H.Rept. 105-769

The Senate approved \$5.54 billion for the programs making up the Human Space Flight account including \$2.3 billion for the ISS. While maintaining support for the station, the Senate expressed strong concern about continuing cost escalation. The House approved \$5.31 billion for this account including \$2.1 billion for the ISS. It expressed concern about the lack of management control of the ISS project by NASA and its contractors. The final bill provides \$5.48 billion for Human Space Flight including \$2.27 billion, the requested amount, for the ISS. The conferees expressed considerable concern about the status of the ISS and the situation with



Russia, the principal partner to the United States on the station project. Floor amendments to terminate the ISS failed in both the House and Senate.

The Senate approved a \$105 million increase over the request for the Science, Aeronautics, and Technology (SAT) account. In doing so, the Senate directed NASA to review its planned space science work for the next 15 years, to determine which of that work could not be done under NASA's new "faster, cheaper, and better" philosophy, which, the Senate believes, might be compromising the achievement of some scientific objectives. The House approved an increase of \$84 million over the request. The final bill provides an increase of \$236 million over the request, including funding for a number of specific projects.

Both the space science and earth science programs within the SAT account received more funds than requested in the final bill. Specific increases are provided for the Next Generation Space Telescope and the Earth Orbiting System (EOS) AM-1 satellite. Launch of the latter has been delayed to early 1999.

**Table 11. Appropriations: National Aeronautics and Space Administration, FY1999**  
(budget authority in billions of \$)

Program	FY1998 Enacted	FY1999			
		Admin. Request	House-passed (H.R. 4194)	Senate-passed (S. 2168)	P.L. 105-276
Human space flight	5.507	5.511	5.309	—	5.480
Science, aeronaut., tech.	5.690	5.457	5.542	—	5.654
International Space Station	—	—	—	2.300	—
Launch vehicles; operations	—	—	—	3.241	—
Science and Technology	—	—	—	4.257	—
Aero., space trans., tech.	—	—	—	1.305	—
Mission support	2.433	2.477	2.459	2.492	2.511
Inspector General	0.018	0.020	0.019	0.020	0.020
<b>Subtotal (NASA) (rounded, may not add)</b>	<b>13.648</b>	<b>13.465</b>	<b>13.328</b>	<b>13.615</b>	<b>13.665</b>

Source: H. Rept. 105-276.

Actions by Congress suggest strong support for the basic research carried out by NASA as well as continued support for the ISS. However, it is apparent that

Congressional concern is growing about NASA's ability to fund a balanced space and aeronautics program including the ISS and to control ISS project costs.

For more information on ISS, see CRS Issue Brief 93017, *Space Stations*, by Marcia Smith. For a more detailed discussion of NASA and its FY1999 request, see CRS Report 97-634, *The National Aeronautics and Space Administration: An Overview With FY1998 and FY1999 Budget Summaries*, by David Radzanowski and Richard Rowberg. For more discussion on the ISS, see CRS Issue Brief 93017, *Space Stations*, by Marcia S. Smith. For other issues in federal research and development, see CRS Issue Brief 98011, *Research and Development Funding: Fiscal Year 1999*, by Michael E. Davey, Coordinator.

## National Science Foundation

The FY1999 appropriation for the National Science Foundation (NSF) is \$3.671 billion, a 7% increase over the FY1998 estimate. The FY1999 funding permits significant investments in several emerging areas, including knowledge and distributed intelligence (KDI), integration of research and education, and life and earth's environment. The KDI also supports the Next Generation Internet, a multi-agency effort. The integration of research and education is a key theme of NSF's efforts in the area of Educating for the Future, which includes such programs as Grant Opportunities for Academic Liaison with Industry, the Integrative Graduation Education and Research Training program, Faculty Early Career Development program, and Research Experiences for Undergraduates.

**Table 12. National Science Foundation Appropriations,  
FY1994 to FY1998**

(budget authority in billions of current \$)

FY1994	FY1995	FY1996	FY1997	FY1998	FY1999
\$2.99	\$3.23	\$3.22	\$3.27	\$3.43	\$3.67

**Source:** H.Rept. 105-769.

The FY1999 appropriation for the Education and Human Resources Directorate (EHR) is \$662 million, a 5% increase (\$30 million) above the FY1998 level. The FY1999 request proposed \$683 million for EHR. This program provides funds at various educational levels. The support at the precollege level is directed primarily at the K-8 mathematics initiative, the research on education and training technologies initiative, and the extension of effective applications of computer, networking, and other technologies. Support at the undergraduate level is focused primarily on reform of undergraduate education and addressing advanced technical training. Funding at the graduate level supports the NSF Integrative Graduate Education and Research Training program. The Conferees provided an additional \$13.5 million for minority undergraduate and graduate programs, and an additional \$10 million for informal science activities.

The Research and Related Activities account (RRA) is funded at \$2.77 billion in FY1999, \$224 million (9%) above the FY1998 level. Support is provided to individuals and small groups conducting disciplinary and cross-disciplinary research. Included in the RRA is additional support for arctic logistics activities, the radius data base project, and plant genome research. The conference report included language directing the NSF to improve the participation of those colleges and universities that fall outside of the top 100 institutions receiving research support.

**Table 13. Appropriations: National Science Foundation, FY1999**  
(budget authority in billions of \$)

Program	FY1998 Enacted	FY1999			
		Admin. Request	House-passed (H.R. 4194)	Senate-passed (S. 2168)	P.L. 105-276
Research, related activities	2.546	2.847	2.815	2.725	2.770
Education, human resources	0.633	0.683	0.643	0.683	0.662
Major research equipment	0.109	0.094	0.090	0.094	0.090
Salaries and expenses	0.137	0.144	0.144	0.137	0.144
Office of Inspector General	0.005	0.005	0.005	0.005	0.005
<b>Subtotal (NSF) (rounded, may not add)</b>	<b>3.429</b>	<b>3.773</b>	<b>3.697</b>	<b>3.644</b>	<b>3.671</b>

Source: H.Rept. 105-769.

For FY1999, Congress has provided \$90 million for the Major Research Equipment (MRE) account. Five projects are supported by this account: start up construction funds for the Large Hadron Collider, development support for the Millimeter Array, construction of the Polar Cap Observatory, ongoing modernization of the South Pole Station, and funding for the reconfiguration of the Polar Support Aircraft.

In December 1997, the National Science Board, the policy-making arm of the NSF, issued a working paper in which it criticized the manner in which science policy is coordinated.<sup>6</sup> The Board noted that because NSF accounts for \$2 billion of the \$17 billion spent on basic research in the United States, it should assume some responsibility for advising the government on science policy beyond the confines of NSF.

---

<sup>6</sup> National Science Board, *Government Funding of Scientific Research: A Working Paper of the National Science Board*, NSB97-186, December 1997. 15 p.

On March 19, 1998, the National Science Board commented on a proposal to establish a National Institute for the Environment (NIE) within the NSF. (Language was included in the FY1998 appropriations for NSF to review the feasibility of operating such an institute.) While the Board acknowledged the need for expanded environmental research, education, and assessment, it did not agree with establishing a separate entity within the NSF. The Board stated that as proposed, the NIE: “ ... could isolate environmental research from related science and engineering research, as well as duplicate the existing policy and management structure and entail unnecessary cost.”<sup>7</sup>

For additional information on NSF, see CRS Report 95-897, *National Science Foundation, Directorate for Social, Behavioral, and Economic Sciences — A Fact Sheet*; and, CRS Report 95-307, *U.S. National Science Foundation: An Overview*, both by Christine M. Matthews. For issues in federal research and development, see CRS Issue Brief 98011, *Research and Development Funding: Fiscal Year 1999*, by Michael E. Davey, Coordinator.

## Other Independent Agencies

In addition to funding for VA, HUD, EPA, FEMA, NASA and NSF, several other smaller “sundry independent agencies, boards, commissions, corporations, and offices” will receive their funding through the bill providing appropriations for VA, HUD, and Independent Agencies for the fiscal year beginning October 1, 1998.

**American Battle Monuments Commission.** This Commission is responsible for the construction and maintenance of memorials honoring Armed Forces battle achievements since 1917. The Administration asked for \$23.9 million for FY1999, a decrease from \$26.9 million provided for FY1998. The additional \$3 million for the current fiscal year would be used to reduce a backlog in equipment and maintenance. The Senate approved \$3 million more than the Administration’s request for FY1999, \$2.5 million for renovation of the Liberty Memorial Monument. The House approved \$.5 million less than its counterpart. Conferees approved the House levels.

**Chemical Safety and Hazard Investigation Board.** This Board originated in the FY1998 bill, with \$4 million appropriated to meet start-up operations costs. The Administration has requested \$7 million for FY1999; both Houses approved \$6.5 million; conferees accepted that level for the final bill.

**Community Development Financial Institution Fund.** The Community Development Financial Institutions Fund (CDFI) was created by P.L. 103-325. The CDFI is an Administration initiative to provide credit and investment capital to distressed urban and rural areas. The program also provides technical and training assistance to qualifying financial institutions. The program has survived despite attempts to eliminate it.

---

<sup>7</sup> The complete text of the statement can be accessed electronically from the National Science Board, *The Proposed National Institute for the Environment*, NSB98-65, March 19, 1998 [<http://www.nsf.gov/nsb/documents/1998/nsb9865/nsb9865.htm>].

P.L. 104-19 modified the original Act by giving the Department of the Treasury the authority to manage the CDFI program, although the CDFI continues to be funded through the VA/HUD bill. After attempts to end funds for the CDFI were defeated, Congress appropriated \$80 million for FY1998, but included a requirement that GAO audit the CDFI to “review” its effectiveness.

The Administration’s FY1999 budget has requested \$125 million for CDFI, the same amount requested in the Administration’s budget for FY1998. The Senate bill, citing continuing concerns about accountability, provided \$55 million. The House approved \$80 million, and conferees accepted that level in the final version.

For further information on CDFI, see CRS Report 97-819, *Community Development Financial Institutions (CDFI) Fund*, by Pauline Smale.

**Consumer Information Center.** The Center helps federal agencies distribute consumer information and promotes public awareness of existing federal publications. The Administration requests \$2.419 million for the Center for FY1999; \$300,000 of which is to perform functions of the Office of Consumer Affairs, an entity previously administered through the Department of Health and Human Services. That federal entity received no appropriations for FY1998. The Senate bill agrees with the Administration request; the House approved \$2.619 million, and the conferees approved that level.

**Consumer Product Safety Commission.** This Commission is an independent regulatory agency charged with protecting the public from unreasonable product risk and to research and develop uniform safety standards for consumer products. The Administration requests \$46.5 million for FY1999, up \$1.5 million over FY1998 appropriations. The Senate agreed with the requested amount; the House Committee recommended reducing the request by \$.5 million; a floor amendment added \$5 million. Conferees approved \$46 million. Conferees also added language requiring the Commission to contract with the National Academy of Sciences for a study of the potential toxicologic risks of fire-retardant chemicals that the Commission has proposed be required in residential upholstered furniture, and in children’s sleepwear.

**Corporation for National and Community Service (CNCS).** The key issue concerning the Corporation, whose programs are strongly supported by President Clinton, has been budgetary survival. The largest of the Corporation’s 9 programs is AmeriCorps, funded at \$277 million for FY1998. Some Members have expressed concerns about partisan activities, program costs, financial management issues, and whether government should support a paid “volunteer” program. (Some programs administered by the Corporation, — e.g., Foster Grandparents Program and Senior Companion Program — are funded under the Labor/HHS Appropriation bill and have been non-controversial.)

The Senate provided FY1999 funding for the programs of the Corporation at FY1998 levels, \$428.5 million, including \$3 million for the Inspector General. The House voted to eliminate all funding for the Corporation. The Conference approved the Senate level.

Authorization for CNCS expired at the end of FY1996. Since then, continued program authority has occurred through the appropriations process. The President has transmitted to Congress the National and Community Service Amendments of 1998, a bill to reauthorize and amend the National and Community Service Act of 1990 and the Domestic Volunteer Service Act of 1973; the bill was introduced in the House as H.R. 3561, but no companion bill has been introduced in the Senate. No action on H.R. 3561 occurred.

**Council on Environmental Quality; Office of Environmental Quality.** These two entities are administered by the Executive Office of the President. The Council is responsible for oversight and coordination of interagency decisions in matters affecting the environment; the Office provides the professional and administrative staff for the Council. Congress appropriated \$2.5 million for these functions in FY1998; in addition, Congress provided a special one-time \$1 million appropriation to the Executive Office of the President for “unanticipated needs.” The President has requested \$3.02 million for FY1999; the Senate approved \$2.575 million; the House, \$2.675 million; conferees adopted the House level.

**Court of Veterans Appeals.** The Court of Veterans Appeals has exclusive jurisdiction to review decisions of the Board of Veterans’ Appeals, and has the authority to decide relevant conflicts in the interpretation of relevant law by VA and the Board of Veterans’ Appeals, and its decisions constitute precedent to guide subsequent decisions by that Board. Congress provided \$9.3 million for operations for the Court in FY1998; the President has requested \$10.2 million for FY1999; the Senate approved \$10 million, allowing no increase in staffing. The House concurs with the requested amount, and conferees concurred with the House level.

**Federal Deposit Insurance Corporation.** The FDIC’s Office of the Inspector General is funded from deposit insurance funds, and has no direct effect on federal taxpayers. Before FY1998, the amount was approved by the FDIC Board of Directors; the amount is now directly appropriated to ensure the independence of the IG office. This year the amount requested is \$34.7 million; both Houses concur; conferees made no changes.

**National Credit Union Administration.** The purpose of this administrative office, created under the National Credit Union Central Liquidity Facility Act (P.L. 95-630), is to improve the general financial stability of credit unions. Subscribing credit unions may borrow from the agency to meet short-term requirements. The Administration requested \$176,000 for the agency’s functions; both Houses accepted the requested amounts; the conferees agreed, and approved the House proposal for a revolving loan program for credit union risk pooling, with a subsidy of \$2 million. The Senate has proposed a risk pool cost of \$1million.

**Neighborhood Reinvestment Corporation (NRC).** The NRC leverages funds for reinvestment in older neighborhoods through community-based organizations called NeighborWorks. Among projects supported by the financing activities of the NRC are lending activities for home ownership of low-income families. Congress appropriated \$60 million for the NRC in FY1998; the President requested \$90 million for FY1999, and the House bill provides that amount. The Senate approved \$60 million recommendation. Conferees accepted the \$90 million level, and

approved \$25 million as an earmark for a pilot homeownership initiative, as proposed by the House.

**Table 14. Appropriations: Other Independent Agencies, FY1999**  
(budget authority in billions of \$)

Program	FY1998 Enacted	FY1999			
		Admin. Request	House-passed (H.R. 4194)	Senate-passed (S. 2168)	P.L. 105-276
American Battle Monuments Commission	0.027	0.024	0.026	0.027	0.026
Chem. Safety and Hazard Investigations Board	0.004	0.007	0.007	0.007	0.007
Cemetery Exp., Army	0.012	0.012	0.012	0.012	0.012
Community Development Financial Institutions	0.080	0.125	0.080	0.055	0.080
Consumer Information Center	0.002	0.002	0.003	0.002	0.003
Consumer Product Safety Commission	0.045	0.047	0.051	0.047	0.047
Corporation for National and Community Service <sup>a</sup>	0.429	0.502	0	0.429	0.429
Council on Environmental Quality	0.004	0.003	0.003	0.003	0.003
Court of Veterans Appeals	0.009	0.010	0.010	0.010	0.010
Federal Deposit Insurance Corporation	(0.034)	(0.035)	(0.034)	(0.034)	(0.0)
Neighborhood Reinvestment Corporation	0.060	0.090	0.090	0.060	0.090
National Credit Union Administration	0.001	0.000	0.002	0.001	0.002
Office of Science & Technology Policy	0.005	0.005	0.005	0.005	0.005
Selective Service System	0.023	0.025	0.024	0.025	0.024
<b>Subtotal: (rounded, may not add)</b>	<b>0.701</b>	<b>0.852</b>	<b>0.313</b>	<b>0.683</b>	<b>0.738</b>

Source: H.Rept. 105-679

<sup>a</sup> Includes \$3 million for CNCS Office of the Inspector General.

**Office of Science and Technology Policy.** The Office of Science and Technology Policy coordinates science and technology policy for the White House. The Office provides scientific and technological information, analysis and advice for

the President and Executive Branch, and reviews and participates in formulation in national policies affecting those areas. Congress appropriated \$4.9 million for the Office for FY1998; the President has requested \$5 million for FY1999; both Houses approved the Administration's request; conferees agreed.

**Selective Service System (SSS).** The SSS was created to supply manpower to the U.S. Armed Forces during time of national emergency. Although since 1973, the the Armed Forces has been on voluntary recruitment and incentives, the SSS remains the primary vehicle for conscription should it become necessary. In 1987, the SSS was given the task of developing a postmobilization health care system that would assist with providing the Armed Forces with health care personnel in time of emergency. Congress appropriated \$23.4 million for this office for FY1998; the President has requested \$24.9 for FY1999; the Senate approved the request; the House approved \$24.2 million. Conferees adopted the House level for the final bill.

### **Selected World Wide Web Sites**

Environmental Protection Agency (EPA), Summary and Justification of Budget.  
[<http://www.epa.gov/ocfopage>]

Corporation for National and Community Service  
[<http://www.cns.gov/>]

Department of Housing and Urban Development (HUD).  
[<http://www.hud.gov>]

Federal Emergency Management Agency (FEMA)  
[<http://www.fema.gov>]

National Aeronautics and Space Administration (NASA).  
[<http://www.hq.nasa.gov>]

National Science Foundation (NSF).  
[<http://www.nsf.gov>]

Office of Management and Budget (OMB).  
[<http://www.whitehouse.gov/WH/EOP/OMB/html/ombhome.html>]

Department of Veterans Affairs (VA).  
[<http://www.va.gov>]