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APPROVED
OCT 13 1975

10/13/75

THE WHITE HOUSE
WASHINGTON
October 11, 1975

ACTION
Last Day: October 15

Posted
10/13/75
To Archives
10/14/75

MEMORANDUM FOR THE PRESIDENT
FROM: JIM CANNON
SUBJECT: H.R. 9600 - Budget Authority Rescission

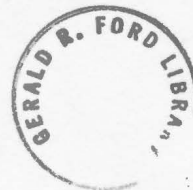
Attached for your consideration is H.R. 9600, sponsored by Representative Mahon, which rescinds \$47.5 million in 1976 contract authority for the purchase of helium by the Department of Interior. This rescission is in the amount and form you proposed.

A discussion of the enrolled bill is provided in OMB's enrolled bill report at Tab A.

OMB, Interior, Max Friedersdorf, Counsel's Office (Lazarus) and I recommend approval of the enrolled bill.

RECOMMENDATION

That you sign H.R. 9600 at Tab B.





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

OCT 9 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 9600 - Budget Authority Rescission

Last Day for Action: October 15, 1975 - Wednesday

Purpose: Rescinds \$47.5 million in 1976 contract authority for purchase of helium by the Department of the Interior.

Perspective

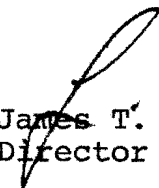
There is no basis for objecting to the single item included in this rescission bill. The \$47.5 million rescission for contract authority to purchase helium is in the amount and form you proposed. Consequently, I recommend that you sign H.R. 9600 into law.

The enrolled bill is objectionable only in that it fails to include three of your proposed rescissions. The Congress, by its inaction and under the terms of the Impoundment Control Act of 1974, has forced the loss of \$51.4 million in 1976 budget authority savings for these three items and a portion of a fourth item.

Nevertheless, most budget authority you recommended for rescission in 1976 is currently being saved--\$162.5 million out of \$213.9 million recommended. This result has been achieved through a combination of (1) Congressional action outside the enrolled bill and (2) funds lapsing before the date on which they would otherwise have been required to be released. All the events--Congressional and circumstantial--that affect your first eight 1976 rescission proposals are discussed in the attached longer memorandum and their budget authority and outlay effects are displayed in a table attached to that memorandum.

Recommendation

That you sign the bill into law.


James T. Lynn
Director

Attachment



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

OCT 9 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 9600 - Budget Authority Rescission

Sponsor - Representative Mahon (D), Texas

Last Day for Action

October 15, 1975 - Wednesday

Purpose

Rescinds \$47.5 million in 1976 contract authority for the purchase of helium by the Department of the Interior.

Agency Recommendations

Office of Management and Budget	Approval
Department of the Interior	Approval (informally)

Discussion

The enrolled bill is one of Congress' actions in response to the eight rescissions you have proposed for fiscal year 1976 under section 1012 of the Impoundment Control Act of 1974 (Public Law 93-344). The attached table details the savings realized--\$162.5 million in 1976 budget authority and \$45 million in 1976 and transition quarter outlays--and the savings lost--\$51.4 million in 1976 budget authority and \$13.4 million in 1976 and transition quarter outlays--as a result of Congressional action and inaction on the eight proposals included in your messages to the Congress of July 1 and July 26, 1975.

Through this enrolled bill, Congress is approving one of the eight proposals transmitted to date: the rescission of \$47.5 million in 1976 contract authority for the purchase of helium. Purchase of helium by the Federal Government was

terminated in 1973, but a 1961 law automatically makes \$47.5 million in contract authority available each fiscal year. The contract authority would not have been used had it been made available.

Through means other than this enrolled bill, the Congress acted favorably on two more of your eight proposals:

- both the House and Senate have included language in the pending 1976 Transportation appropriations bill that would, as you requested, rescind \$25 million for access highways to public recreation areas on lakes. In the same bill, however, both Houses included a direct appropriation of \$10 million for the same program. Consequently, only \$15 million of the \$25 million you proposed will be saved.
- the House and Senate Appropriations Committees invited the \$90 million proposed for rescission for the Great River Road (to run through 10 States bordering the Mississippi River) to be deferred--instead of released on September 23, 1975, as would have otherwise been required--while the Congress continues to review the project. In your fourth 1976 special message to the Congress on impoundments, you accepted this invitation.

The savings associated with your two rescission proposals for the Community Services Administration are secure for the present--but as a result of the funds lapsing before they were required, under terms of the Impoundment Control Act, to be released. The Congress did not act to approve these rescissions which total \$10 million. Moreover, the Senate version of the pending 1976 Labor-HEW appropriations bill would make these funds available until December 31, 1975.

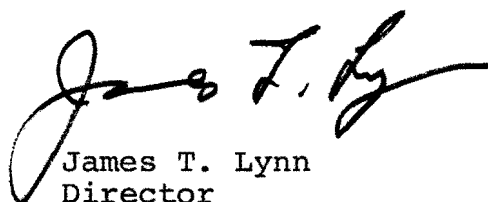
Three of your rescission proposals have been released, as is routinely required when the Congress does not act, within a specified 45 day period, to approve the rescissions. They are:

- \$25.7 million that would have reduced the amount available for construction of forest roads and trails (Forest Service, Department of Agriculture),

- \$8.7 million that is not expected to be spent this fiscal year for construction of the Federal Law Enforcement Training Center (Treasury), and
- \$7.0 million that would have reduced the amount available for the Head Start program (Department of Health, Education, and Welfare).

Recommendation

I recommend that you sign the bill into law, thus rescinding an unnecessary \$47.5 million in 1976 contract authority.



James T. Lynn
Director

Attachment

DISPOSITION OF FIRST EIGHT 1976
RESCISSION PROPOSALS
UNDER THE IMPOUNDMENT CONTROL ACT OF 1974

(in millions of dollars)

	<u>1976 budget authority</u>	<u>Outlay Savings 1976 and transition quarter</u>	<u>1977</u>
Savings realized:			
Approved by Congress:			
-enrolled rescission bill (Helium Fund, Interior).....	47.5	--	--
-pending Transportation appropriation bill (access highways to lakes, Transportation)*.....	15.0	6.3	12.1
-invitation to defer funds proposed for rescission (Great River Road, Transportation).....	90.0	28.7	50.0
Funds lapsed before required release date (Community Services Administration -two proposals).....	<u>10.0</u>	<u>10.0</u>	<u>--</u>
Total, savings realized.....	162.5	45.0	62.1
Savings lost:			
Agriculture: Forest Service:			
Forest Roads and Trails.....	25.7	5.0	11.0
Treasury: construction of Federal Law Enforcement Training Center.....	8.7	--	--
HEW: Head Start.....	7.0	6.7	.3
Transportation: access highways to lakes*.....	<u>10.0</u>	<u>1.7</u>	<u>1.9</u>
Total, savings lost.....	51.4	13.4	13.2

*The Congress, in effect, partially approved (\$15 million) and partially rejected (\$10 million) the President's rescission request (\$25 million) for access highways to lakes.

THE WHITE HOUSE
WASHINGTON

October 11, 1975

MEMORANDUM FOR THE STAFF SECRETARY

FROM: MAX L. FRIEDERSDORF *RKW*
SUBJECT: H.R. 9600 - Budget Authority Rescission

The Office of Legislative Affairs has reviewed the subject bill and concurs in the recommendation that it be signed.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 581

Date: October 10

Time: 700am

FOR ACTION: Paul Leach
Max Friedersdorf
Ken Lazarus

cc (for information): Jim Cavanaugh
Jack Marsh
Warren Hendriks

FROM THE STAFF SECRETARY

DUE: Date: October 11

Time: noon

SUBJECT:

H.R. 9600 - Budget Authority Rescission

ACTION REQUESTED:

- | | |
|---|---|
| <input type="checkbox"/> For Necessary Action | <input type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks |

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President



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

OCT 9 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 9600 - Budget Authority Rescission

Last Day for Action: October 15, 1975 - Wednesday

Purpose: Rescinds \$47.5 million in 1976 contract authority for purchase of helium by the Department of the Interior.

Perspective

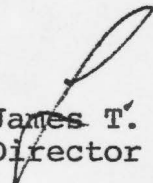
There is no basis for objecting to the single item included in this rescission bill. The \$47.5 million rescission for contract authority to purchase helium is in the amount and form you proposed. Consequently, I recommend that you sign H.R. 9600 into law.

The enrolled bill is objectionable only in that it fails to include three of your proposed rescissions. The Congress, by its inaction and under the terms of the Impoundment Control Act of 1974, has forced the loss of \$51.4 million in 1976 budget authority savings for these three items and a portion of a fourth item.

Nevertheless, most budget authority you recommended for rescission in 1976 is currently being saved--\$162.5 million out of \$213.9 million recommended. This result has been achieved through a combination of (1) Congressional action outside the enrolled bill and (2) funds lapsing before the date on which they would otherwise have been required to be released. All the events--Congressional and circumstantial--that affect your first eight 1976 rescission proposals are discussed in the attached longer memorandum and their budget authority and outlay effects are displayed in a table attached to that memorandum.

Recommendation

That you sign the bill into law.


James T. Lynn
Director

Attachment

BUDGET RESCISSION BILL, FISCAL YEAR 1976

SEPTEMBER 19, 1975.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

REPORT

[To accompany H.R. 9600]

The Committee on Appropriations, to whom was referred the bill H.R. 9600, to rescind certain budget authority recommended in the Message of the President of July 26, 1975 (H. Doc. 94-225), transmitted pursuant to the Impoundment Control Act of 1974, report the same to the House with amendments and with the recommendation that the bill as amended be passed.

The amendments are as follows:

Page 2, strike lines 1 through 7.

Page 2, strike lines 8 through 18.

Page 3, strike lines 1 through 11.

SUMMARY OF THE BILL

This is the fourth rescission bill to be reported by the Committee on Appropriations during the 94th Congress under the provisions of Title X of the new Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), July 12, 1974.

The Presidential message of July 26, 1975 contains five rescissions which have not been acted on by the House. This bill and report reflect the recommendations of the Committee on Appropriations on those items. In addition, the Presidential message of July 1, 1975 (H. Doc. 94-206) transmitted 3 rescissions which are discussed in the report but are not included in the accompanying bill. Further, the Comptroller General, on June 19, 1975 notified the Speaker of the

House (H. Doc. 94-193) that there was in fact a rescission of budget authority in the College Housing Programs of HUD in the amount of \$964,000,000. Thus there are 9 rescissions pending before the Congress. The Committee is recommending approval of one rescission.

ACTIONS IN OTHER THAN RESCISSION BILL

In two instances, rescissions addressed in this report have been accomplished in the 1976 regular appropriation bills. Rescission 75-901 (College housing loan program) was negated by House and Senate action in passing the HUD-Independent Agencies Appropriation Act for 1976 which included a transfer of \$964,000,000 from the College Housing program to other HUD programs. Funds identified in 76-2 (access highways to public recreation areas on certain lakes) in the amount of \$25,000,000 were rescinded in the Transportation and Related Agencies Appropriation Act, 1976. That bill includes a direct appropriation of \$10,000,000 for access highways to public recreation areas on certain lakes—a net reduction in budget authority of \$15,000,000.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(1)(4) Rule XI of the House of Representatives, the Committee estimates that the enactment of this bill will have no inflationary impact on prices and costs in the operation of the national economy. Rescission of the funds proposed in this bill will mean that obligational authority in the amount of \$47,500,000 will not become available for obligation in fiscal 1976.

SUMMARY TABLE

A summary table on rescissions follows which shows the items that are recommended for rescission and those items that the Committee is not recommending for rescission and for which funds are to be made available at the end of the 45-day time period.

COMPARISON OF RESCISSIONS PROPOSED IN H. DOCS. 94-193, 94-206, 94-225, AND COMMITTEE RECOMMENDATIONS

Report page No.	Rescission No.	Department and activity	Amounts proposed for rescission	Amounts recommended for rescission in bill	Amounts to be made available for obligation
4	76-5	Department of Health, Education, and Welfare: Headstart services to handicapped children	\$7,000,000		\$7,000,000
5	76-7	Community Services Administration: Basic skills learning centers demonstration programs	2,500,000		2,500,000
5	76-8	Community development corporation programs	7,500,000		7,500,000
6	76-6	Department of Interior: Bureau of Mines, helium fund	47,500,000	\$47,500,000	
6	76-4	Department of Agriculture: Forest Service, Forest roads and trails	25,723,000		25,723,000
8	76-1	Department of Transportation: National scenic and recreational highway	90,000,000		90,000,000
9	76-3	Department of the Treasury: Construction of federal law enforcement training center	8,665,000		8,665,000
		Total	188,888,000	47,500,000	141,388,000

SUBCOMMITTEE ON THE DEPARTMENTS OF LABOR, AND
HEALTH, EDUCATION, AND WELFARE, AND RELATED
AGENCIES

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BOB CASEY, Texas SILVIO O. CONTE, Massachusetts
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EDWARD R. ROYBAL, California
LOUIS STOKES, Ohio

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT

HUMAN DEVELOPMENT

The Committee has not approved the rescission of \$7,000,000 for the Head Start program. The funds proposed for rescission were appropriated in the Second Supplemental Appropriations Act for 1975 (Public Law 94-32) and were made available for obligation until October 31, 1975.

For fiscal year 1975, Congress appropriated \$441 million for the Head Start program, an increase of \$26,700,000 over the budget request. Of the amount added by the Congress, \$11,700,000 was to help offset increased operating costs due to inflation, and \$15,000,000 was to meet the additional cost of providing services to handicapped children. The proposed rescission of \$7,000,000 relates to funds appropriated for services to handicapped children. The President's message transmitting the proposed rescission indicates that \$7,000,000 represents the amount in excess of estimated budgetary requirements to initiate special services for handicapped children. The message further refers to increased funding requested for handicapped children in the 1976 budget. After reviewing the budget documents and hearing testimony from Administration witnesses, the Committee concluded that the budget is based on a minimum effort in the enrollment of handicapped children. In fact the budget is inadequate to meet the additional cost of providing services to handicapped children.

The basic law mandates that handicapped children must comprise at least 10 percent of the total enrollment nationwide. Beginning in fiscal year 1976 the law requires that 10 percent of each State's enrollment must be handicapped children. The 1975 budget made no specific request for serving handicapped children, apparently in the belief that some States had already enrolled sufficient numbers of handicapped children to meet the statutory enrollment minimum.

In reviewing fiscal year 1975 program requirements, the Congress felt that the budget did not make adequate provision for meeting the additional cost of serving handicapped children. For that reason, \$15 million was specifically included in the fiscal year 1975 appropriation. Because of the late enactment of the second supplemental appropriation bill, the availability of \$7,000,000 was extended to October 31 to allow sufficient time to obligate the funds for use in the present school year. There was no intention to stretch out the use of these funds to augment 1976 appropriations.

reference made in the rescission message to the increases requested in the budget for 1976 appears to be a gratuitous argument for rescinding 1975 funds. The House has already considered 1976 appropriations for Head Start based upon the full amount appropriated for fiscal year 1975 and has increased the 1976 budget by \$15.7 million for the purpose of adequately serving the handicapped.

In denying the rescission, the Committee expects HEW to obligate the \$7,000,000 in a judicious manner but at the earliest practical date.

RELATED AGENCIES

COMMUNITY SERVICES ADMINISTRATION

COMMUNITY SERVICES PROGRAM

The Committee does not recommend approval of the two proposed rescissions totalling \$10,000,000 for the Community Services Administration. The funds proposed for rescission were appropriated in the Second Supplemental Appropriations Act, 1975 (P.L. 94-32) and were made available for obligation until September 30, 1975.

The first of the proposed rescissions is \$2,500,000 for research and demonstration. The total amount appropriated for research and demonstration in fiscal year 1975 was \$8,800,000. The amount proposed for rescission is intended to be used for the expansion of the basic skills learning centers demonstration program. This program is designed to improve the reading and mathematics skills of children who are below the national norms. This is done through a comprehensive program of individualized instruction with each student operating at his own pace. The program is in the very early developmental stage, and the Committee believes that it should be tested further to determine its potential for success. No convincing case was made by the agency for discontinuing the program.

The second proposed rescission is \$7,500,000 for community economic development under Title VII of the Community Services Act. The total amount appropriated for the basic Title VII program in fiscal year 1975 was \$46,500,000. The program provides support for economic and community development in urban and rural areas with high concentrations of poor people through community development corporations and cooperatives. The Committee believes that the Congress was justified in providing an increase for the program in fiscal year 1975, since it had operated at an almost static level of funding for several years prior to that. Again, the agency presented no convincing testimony for rescinding these funds.

The Committee strongly urges the executive branch to make these funds available for obligation at once so that they can be obligated by September 30. If they are not, the funds will lapse and revert to the Treasury on that date. This would clearly be a violation of the spirit, if not the letter, of the Congressional Budget and Impoundment Control Act.

SUBCOMMITTEE ON THE DEPARTMENT OF THE
INTERIOR AND RELATED AGENCIES

SIDNEY R. YATES, Illinois, *Chairman*

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JOHN P. MURTHA, Pennsylvania
ROBERT DUNCAN, Oregon

JOSEPH M. McDADE, Pennsylvania
RALPH S. REGULA, Ohio

DEPARTMENT OF THE INTERIOR

BUREAU OF MINES

HELIUM FUND

The Committee recommends a rescission of \$47,500,000 in contract authority available to the Bureau of Mines for the Helium Fund as requested in Rescission Proposal No. R76-6, House Document 94-225. The contract authority is available under authority contained in the Helium Act Amendments of 1960 (P.L. 87-122). Contracts entered into pursuant to that authority for the purchase of helium for storage and future use were terminated by the Department of the Interior in 1973. Since helium deliveries are no longer being accepted by the Department, there is no need to use the available authority in fiscal year 1976.

At the present time, there is about 40 billion cubic feet of helium in underground storage at the Cliffside Field near Amarillo, Texas. Current annual domestic use of helium is about one-half billion cubic feet.

The helium purchase contracts are not now in force, but suits by three of the contractors claiming damages for breach of contract are pending in the U.S. Court of Claims. The government's liability, if any, in these cases will not be finally determined before the end of the current fiscal year. Even if damages are awarded, the funds for such damages would not come out of this appropriation.

RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST ROADS AND TRAILS

The Committee recommends that the proposed rescission of \$25,723,000 in contract authority available to the Forest Service for forest roads and trails not be approved. The proposed rescission is R76-4, House Document 94-225.

The Committee in its fiscal year 1976 report (94-374) emphasized the need for an expanded forest road and trail program, not only to provide for the harvesting of forest resources, but also to provide for other benefits, such as recreation and public use. To assist in improving the recreation potential and other benefits the Committee, with the concurrence of the House, approved a forest roads and trails contract authority program of \$173,538,000, an increase of \$15.4 million above that proposed by the Administration.

In addition, the Committee has received information indicating that the estimated \$47.9 million available from 10 percent of 1976 National Forest receipts and which are merged with this account, will fall below what was projected in the President's budget for fiscal year 1976.

SUBCOMMITTEE ON DEPARTMENT OF
TRANSPORTATION AND RELATED AGENCIES

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TOM STEED, Oklahoma
EDWARD I. KOCH, New York
BILL ALEXANDER, Arkansas
ROBERT DUNCAN, Oregon

SILVIO O. CONTE, Massachusetts
JACK EDWARDS, Alabama

DEPARTMENT OF TRANSPORTATION

FEDERAL HIGHWAY ADMINISTRATION

NATIONAL SCENIC AND RECREATIONAL HIGHWAY

The Committee has considered and recommends disapproval of the rescission, R76-1, for the National Scenic and Recreational Highway (The Great River Road), which was proposed by the President in his July 1, 1975, message. The request is for the rescission of budget authority in the amount of \$90,000,000. The Committee received testimony on this request on July 31, 1975.

Under Title X of the Congressional Budget and Impoundment Control Act, the \$90,000,000 contained in R76-1 will have to be made available for obligation on September 22, 1975, unless Congress approves the rescission. As indicated above, the Committee is not recommending approval of the proposed rescission. The Committee, however, feels that more information is needed with respect to the National Scenic and Recreational Highway. The Committee, therefore, expects the Department of Transportation and the ten States involved to develop specific plans and present further testimony on the scope and cost of the project.

Because of the need to review this additional information, the Committee would be receptive to the consideration of a proposal to temporarily defer the funding for this project. Such a proposal would enable the Committee to receive additional testimony prior to making a further recommendation on the release of \$90,000,000.

ACCESS HIGHWAY TO PUBLIC RECREATION AREAS ON CERTAIN LAKES

This program is authorized by Section 115(a) of the Federal-Aid Highway Amendments of 1974. The Federal Highway Administration interprets that legislation as providing \$25,000,000 of contract authority for access highways to public recreation areas on certain lakes. Others do not agree with this interpretation.

On July 10, 1975, the House passed the Department of Transportation and Related Agencies Appropriation Bill which includes a direct appropriation of \$10,000,000 for access highways to public recreation areas on certain lakes. The bill also includes language to rescind the contract authority, if there ever was any. On July 25, 1975, the Senate concurred in the House action.

SUBCOMMITTEE ON TREASURY, POSTAL SERVICE
AND GENERAL GOVERNMENT

TOM STEED, Oklahoma, Chairman

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EDWARD R. ROYBAL, California
ROBERT L. F. SIKES, Florida
EDWARD P. BOLAND,
Massachusetts
JOHN J. FLYNT, Jr., Georgia
EDWARD J. PATTEN, New Jersey
CLARENCE D. LONG, Maryland

CLARENCE E. MILLER, Ohio
ROBERT C. McEWEN, New York
WILLIAM L. ARMSTRONG,
Colorado

DEPARTMENT OF THE TREASURY

FEDERAL LAW ENFORCEMENT TRAINING CENTER

CONSTRUCTION

The Committee recommends that the proposed rescission of \$8,665,000 for the construction of the Federal Law Enforcement Training Center be denied.

The Committee feels that proposed rescission may be premature. The total cost of establishing the Training Center at Glynco, Georgia has not yet been determined and the Committee believes that the funds appropriated for construction ought not be rescinded until it is determined exactly what the requirements at Glynco will be.

The Committee will reconsider this matter later when more definite information is available.

SUBCOMMITTEE ON HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES

EDWARD P. BOLAND, Massachusetts, *Chairman*

JOE L. EVINS, Tennessee	BURT L. TALCOTT, California
GEORGE E. SHIPLEY, Illinois	JOSEPH M. McDADE, Pennsylvania
J. EDWARD ROUSH, Indiana	C. W. BILL YOUNG, Florida
BOB TRAXLER, Michigan	
MAX BAUCUS, Montana	
LOUIS STOKES, Ohio	
YVONNE BRATHWAITE BURKE, California	

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

CORPORATIONS

COLLEGE HOUSING—LOANS AND OTHER EXPENSES

In a message to the Congress of June 19, 1975, (H. Doc. 94-193) the Comptroller General held that the discontinuation of the College Housing Loan Program constituted a rescission of budget authority not previously reported to the Congress.

The Comptroller General noted that as of September 30, 1974, the remaining available balance in the college housing direct loan fund totaled approximately \$1.1 billion, of which \$964 million had been specifically provided for the direct loan program. The Comptroller General indicated that, at a minimum, the \$964 million constituted a rescission.

On June 24, the HUD-Independent Agency Appropriation Bill passed the House and included a provision transferring \$964,000,000 of college housing budget authority to the Community Development Block Grant program. The Senate concurred with the transfer on July 26. The Congress in other legislation is therefore utilizing the funds in lieu of taking action in a rescission bill.

FIRST BUDGET RESCISSION BILL, FISCAL YEAR 1976

SEPTEMBER 30 (legislative day, SEPTEMBER 11), 1975.—Ordered to be printed

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

REPORT

together with

VIEWS

of the Committee on the Budget

[To accompany H.R. 9600]

The Committee on Appropriations, to which was referred the bill (H.R. 9600) to rescind certain budget authority recommended in the message of the President of July 26, 1975 (H. Doc. 94-225, S. Doc. 94-93), transmitted pursuant to the Impoundment Control Act of 1974, reports the same with the recommendation that the bill be passed, and submits the following explanation of its recommendation, together with the views of the Committee on the Budget, to which the bill was also referred.

SUMMARY OF THE BILL

This is the first rescission bill to be reported by the Committee on Appropriations during fiscal year 1976 under the provisions of Title X of the new Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), July 12, 1974.

The Presidential message of July 26, 1975 contains five rescissions which have not been acted on by the House. This bill and report reflect the recommendations of the Committee on Appropriations on those items. In addition, the Presidential message of July 1, 1975

(S. Doc. 94-70), transmitted 3 rescissions which are discussed in the report but are not included in the accompanying bill. Further, the Comptroller General, on June 19, 1975 notified the Speaker of the House (H. Doc. 94-193) that there was in fact a rescission of budget authority in the College Housing Programs of HUD in the amount of \$964,000,000. Thus there are 9 rescissions pending before the Congress. The Committee is recommending approval of one rescission.

ACTIONS IN OTHER THAN RESCISSION BILL

In two instances, rescissions addressed in this report have been accomplished in the 1976 regular appropriation bills. Rescission 75-901 (College housing loan program) was negated by House and Senate action in passing the HUD-Independent Agencies Appropriation Act for 1976 which included a transfer of \$964,000,000 from the College Housing program to other HUD programs. Funds identified in Rescission 76-2 (access highways to public recreation areas on certain lakes) in the amount of \$25,000,000 were rescinded in the Transportation and Related Agencies Appropriation Act, 1976. That bill includes a direct appropriation of \$10,000,000 for access highways to public recreation areas on certain lakes—a net reduction in budget authority of \$15,000,000.

SUMMARY TABLE

A summary table on rescissions follows which shows the items that are recommended for rescission and those items that the Committee is not recommending for rescission. The views of the Committee on the Budget are shown on page 11.

COMPARISON OF RESCISSIONS PROPOSED IN S. DOCS. 94-70, 94-93 AND COMMITTEE RECOMMENDATIONS

Report page No.	Rescission No.	Department and activity	Amounts proposed for rescission	Amounts recommended for rescission by the House	Amounts recommended for rescission by the Committee on Appropriations
4	76-5	Department of Health, Education, and Welfare: Headstart services to handicapped children	\$7,000,000		
5	76-7	Community Services Administration: Basic skills learning centers demonstration programs	2,500,000		
5	76-8	Community development corporation programs	7,500,000		
7	76-6	Department of Interior: Bureau of Mines, helium fund	47,500,000	\$47,500,000	\$47,500,000
8	76-4	Department of Agriculture: Forest Service, Forest roads and trails	25,723,000		
9	76-1	Department of Transportation: National scenic and recreational highway	90,000,000		
10	76-3	Department of the Treasury: Construction of federal law enforcement training center	8,665,000		
		Total	188,888,000	47,500,000	47,500,000

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT

HUMAN DEVELOPMENT

Rescission No.: R76-5 *Date Proposed:* July 26, 1957

Specific Programs Affected: Headstart programs

Available Budgetary Resources—New BA: \$441,000,000;

Other BA: \$———

Amount of Proposed Rescission: \$7,000,000

Presidential Rationale for Proposed Rescission: Funds proposed for rescission were appropriated for the purpose of initiating special services for handicapped children enrolled in Head Start. According to the rescission message, \$19.7 million already obligated for this purpose is sufficient.

House Action: Disapproved rescission

Committee Recommendation:

The Committee concurs with the House in disapproving the rescission of \$7,000,000 for the Headstart program. The proposed rescission would have limited the quality and quantity of services provided to handicapped children. Additional funds were provided by Congress because the budget request underestimated the cost of services.

More than 34,900 handicapped children are expected to enroll in Headstart. The average cost per child could be as much as double that of other children (\$1,278). In many cases, projects must plan on additional and substantial costs associated with enrollment and proper care for the handicapped, such as diagnostic services, special equipment, modification of facilities, and special teachers.

The Committee expects the Department to obligate these funds without further delay. Further, the Department is cautioned against any premature plans to delay the obligation of fiscal year 1976 appropriations.

(4)

COMMUNITY SERVICES ADMINISTRATION

ECONOMIC OPPORTUNITY PROGRAM

Rescissions No.: R76-7 and R76-8 *Date Proposed:* July 26, 1975

Total Available Budgetary Resources—New BA: \$69,800,000;

BA: Other \$———

Total of Proposed Rescissions: \$10,000,000

Presidential Rationale for Proposed Rescissions: The rescission is proposed as means to restrain 1976 budget outlays. The proposed withdrawal of funds would eliminate the Congressional increase for this activity to the President's budget for fiscal year 1975.

House Action: Disapproved both rescissions.

Committee Recommendations:

The Committee disapproves these two rescissions totaling \$10,000,000 for the Community Services Administration.

The first rescission of \$2,500,000 would have required that one of the basic skills learning centers now in operation be terminated in October 1975. These centers are designed to improve reading and math skills of children below the national norms. If the centers should be forced to close before the completion of evaluations of their effectiveness, the substantial investment of funds to date in these demonstration projects would be wasted.

The Community Services Administration's exclusive focus on individuals in poverty makes these programs highly valuable and unlike demonstration projects of any other agency. Testimony presented to the Committee did not provide convincing justification for terminating this program.

The second rescission of \$7,500,000 would have eliminated the June, 1975 Congressional increase for the community economic development program provided in the fiscal 1975 Second Supplemental appropriations bill.

Due to budgetary restraints, no new projects have been developed for several years. These additional funds will help overcome stagnation by expanding the 35 existing projects and establishing several new ones. Through investment in business ventures, this program is designed to both employ and train low-income persons and to upgrade the communities in which they live. Many of these projects have been successful for a decade. New projects, such as the Lumni Indian Aquaculture project in Washington State, have shown promise of developing unsubsidized profit-making enterprises.

(5)

Economic recovery from the current recession should be encouraged through expansion of programs such as this aimed at helping enterprises that might otherwise go out of business.

The Committee urges the Executive Branch to immediately obligate these funds before September 30, 1975 to avoid the lapsing of these funds back to the Treasury.

The Committee feels very strongly that if these funds are allowed to lapse, the budgetary process and Congressional prerogative would be seriously undermined. Further, the Committee has clearly indicated its position on the use of these funds in past appropriation measures. The late rescission request by the Executive branch will cause unnecessary and very harmful program delays as well as the setting of a very negative precedent.

DEPARTMENT OF THE INTERIOR

BUREAU OF MINES

HELIUM FUND

Rescission No.: R76-6 *Date Proposed:* July 26, 1975

Available Budgetary Resources—New BA: \$47,500,000;

Other BA: \$17,944,540

Amount of Proposed Rescission: \$47,500,000

Presidential Rationale for Proposed Rescission: Termination of helium purchase contracts for which budget authority was enacted under P.L. 87-122.

House Action: Approved rescission

Committee Recommendation: The Committee recommends approval of the rescission of \$47,500,000 in contract authority for helium purchases under P.L. 87-122. Purchase contracts were terminated by the Interior Department in 1973 and the contract authority is no longer needed. Any future payments to contractors arising from pending suits before the U.S. Court of Claims would be paid from a separate appropriation.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST ROADS AND TRAILS

Rescission No.: R76-4 *Date Proposed:* July 26, 1975

Available Budgetary Resources—New BA: \$47,975,000;¹

Other BA: \$418,286,000

Amount Proposed Rescission: \$25,723,000

Presidential Rationale for Proposed Rescission: \$25,723,000 in contract authority available under Federal-Aid Highway Act is not needed under the President's budget program and would lapse on June 30, 1976.

House Action: Disapproved rescission

Committee Recommendation: The Committee recommends disapproval of rescinding \$25,723,000 in contract authority for forest roads and trails available for fiscal 1976 under the Federal-Aid Highway Act until the program level is fixed by Congress in the pending appropriation bill for the Department of the Interior and related agencies. This concurs in the action of the House, which has approved a program expansion with its passage of H.R. 8773. In addition, the Committee has learned that total estimated budgetary resources for this program may have to be revised downward as a result of a reduction in National Forest receipts.

¹ Original estimate of 10 percent of National Forest receipts available under Public Law 93-87 submitted in President's fiscal year 1976 budget request. More recent estimates place this closer to \$36,000,000.

DEPARTMENT OF TRANSPORTATION

FEDERAL HIGHWAY ADMINISTRATION

NATIONAL SCENIC AND RECREATIONAL HIGHWAY

Rescission No.: R76-1 *Date Proposed:* July 1, 1975

Available Budgetary Resources—New BA: \$———;

Other BA: \$90,000,000

Amount of Proposed Rescission: \$90,000,000

Presidential Rationale for Proposed Rescission: "This program will not produce national benefits commensurate with its cost." Estimated Federal share of the project's cost is \$1.17 billion, which is over twelve times as much as the \$90 million authorization.

House Action: Disapproved rescission.

Committee Recommendation:

The Committee recommends concurrence with the House action in disapproving the rescission for the National Scenic and Recreational Highway (The Great River Road).

The Committee also agrees with the House that more information is needed concerning the specific plans of the ten states involved in this program. The Committee would be receptive to a deferral message for such purpose but would not intend that this deferral be used as a precedent for similar action in other, unrelated programs.

ACCESS HIGHWAY TO PUBLIC RECREATION AREAS ON CERTAIN LAKES

Rescission No.: R76-2 *Date Proposed:* July 1, 1975

Available Budgetary Resources—New BA: \$25,000,000;

Other BA: \$———

Amount of Proposed Rescissions: \$25,000,000

Presidential Rationale for Proposed Rescissions: "This is a special interest program as opposed to a program national in scope."

Committee Recommendation: This program is authorized by Section 115(a) of the Federal-Aid Highway Act Amendments of 1974. Both the House and Senate, in the Department of Transportation and Related Agencies Appropriation Bill for Fiscal 1976 and the transition period, have included a direct appropriation of \$10,000,000 for this program and included language in the bill rescinding the contract authority for it. Thus, no further action is required at this time.

DEPARTMENT OF THE TREASURY

CONSOLIDATED FEDERAL LAW ENFORCEMENT TRAINING CENTER

CONSTRUCTION—FEDERAL LAW ENFORCEMENT TRAINING CENTER

Rescission No.: R76-3

Date Proposed: July 1, 1975

Available Budgetary Resources—New BA: \$———;

Other BA: \$40,000,000

Amount of Proposed Rescission: \$8,665,000

Presidential Rationale for Proposed Rescission: Prior year funding of \$47,713,000 has been appropriated for construction of the Training Center at Beltsville, Md. It was subsequently decided to use the former Glynco Naval Air Station, Brunswick, Georgia, for this purpose. The Second Supplemental Appropriations Bill, 1975, included a limitation of \$30,000,000 to be used for modification of the facility and necessary transition expenses. Obligations for planning of the proposed Beltsville facility totaled \$7,713,000 and an additional \$1,335,000 will be required for close-out activities. The remaining \$8,665,000 is available for rescission.

House Action: Disapproved rescission

Committee Recommendation:

The Committee recommends concurrence with the House bill that the proposed rescission of \$8,665,000 for construction of the Consolidated Federal Law Enforcement Training Center at the former Glynco Naval Air Station, Brunswick, Georgia be denied.

As the first class of trainees entered the Glynco facility in September 1975, the Committee is concerned that the total funds required for conversion of the facility may not be fully definitized. Construction activity is scheduled to commence during spring 1976.

The Committee will reconsider rescission of these funds when more definite information is available.

(10)

VIEWS OF THE SENATE COMMITTEE ON THE BUDGET

The Senate Committee on the Budget, to which was referred a bill (H.R. 9600), to rescind certain budget authority recommended in the Message of the President of July 26, 1975 (H. Doc. 94-225), transmitted pursuant to the Congressional Budget and Impoundment Control Act of 1974, having considered the same, reports as follows.

The matter contained in H.R. 9600, rescission request R75-6, does not appear to have significant macroeconomic effects, nor does it significantly affect national priorities. The Committee therefore has no recommendation on this rescission request.

The Committee notes with concern the suggestion contained in the report of the House of Representatives which accompanied this bill in the House that the House Appropriations Committee "would be receptive to the consideration of a proposal to temporarily defer the funding" for the National Scenic and Recreation Highway, rescission of the budget authority for which was contained in R76-1, submitted by the President on July 1, 1975 (H. Rept. No. 94-496, 94th Cong., 1st Sess., p. 8.) Pursuant to this request the President, on September 24, 1975, submitted a new impoundment (D76-55) of the budget authority involved in R76-1, citing as his authority Section 1013 of the Impoundment Control Act.

Pursuant to the Order of the Senate of January 30, 1975, establishing Senate procedures regarding impoundment matters, the Senate Budget Committee's responsibility, in addition to the macroeconomic implications and impact on priorities of any impoundment, includes "the legality of the President's use of the deferral and rescission mechanism under Title X." The Budget Committee believes a Congressional committee's request for further impoundment of funds after the elapse of the 45-day statutory period provided for in the case of rescission requests should be viewed very narrowly. In no case should it be construed either (i) as a precedent for unilateral Administration action in the case of future impoundment requests upon which the statutory period lapses, or (ii) as a precedent for any such impoundment, even where such Congressional committee request exists, unless separate statutory authority outside Title X exists to justify such further impoundment. The Committee thus rejects the legal basis asserted in Deferral Number 76-55 as the authority for that impoundment.

In this case, however, where the House Appropriations Committee desires more time to consider the matter contained in R76-1, prior to the obligation of the budget authority involved therein, it appears that the Antideficiency Act could be viewed as a basis for such further impoundment. Under these circumstances, the further impoundment which has been made could reasonably cite the Antideficiency Act as authority for that impoundment in a report to Congress required by

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Section 1013 of Title X of the Congressional Budget and Impoundment Control Act.

The Committee believes that Congress and the President are equally bound to observe the provisions of Title X. Those provisions do not make allowance for continuing an impoundment beyond the statutory period prescribed by Section 1012 when that impoundment has originally been submitted in the form of a rescission request. Should further impoundment be desired by the Administration or the Congress, specific statutory authority aside from the provisions of Title X must exist to warrant such further impoundment. It would be in error for the Congress and illegal for the President to request or accede to further impoundment in any other case.



Ninety-fourth Congress of the United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday, the fourteenth day of January,
one thousand nine hundred and seventy-five*

An Act

To rescind certain budget authority recommended in the message of the President of July 26, 1975 (H. Doc. 94-225), transmitted pursuant to the Impoundment Control Act of 1974.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following rescissions of budget authority contained in the message of the President of July 26, 1975 (H. Doc. 94-225), are made pursuant to the Impoundment Control Act of 1974, namely:

DEPARTMENT OF INTERIOR

BUREAU OF MINES

HELIUM FUND

Contract authority under this head provided by Public Law 87-122 for the fiscal year 1976 is rescinded in the amount of \$47,500,000.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

October 3, 1975

Dear Mr. Director:

The following bills were received at the White House on October 3rd:

S. 2230 ✓

S. 2375 ✓

H.R. 9600 ✓

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder
Chief Executive Clerk

The Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D. C.