

SUMMARY OF PROPOSED
RESCISSIONS AND DEFERRALS
(\$ in thousands)

| <u>Report #</u> | <u>Item</u> | <u>Budget Authority</u> |
|--|--|-----------------------------|
| <u>Rescissions:</u> | | |
| Health, Education, and Welfare: | | |
| Health Services Administration: | | |
| R75-83 | Health Services..... | 1,623 |
| Alcohol, Drug Abuse and Mental Health Administration: | | |
| R75-84 | Alcohol, Drug Abuse and Mental Health..... | 14,250 |
| Health Resources Administration: | | |
| Health Resources: | | |
| R75-85 | D.C. Medical Facilities Construction..... | 2,000 |
| R75-86 | Health Manpower/Health Facilities..... | <u>220,450</u> |
| | Subtotal, Rescissions..... | 238,323 |
| <u>Deferrals:</u> | | |
| Defense - Military: | | |
| D75-155 | Procurement of Weapons and Tracked Combat Vehicles, Army..... | 200 |
| D75-156 | Procurement of Ammunition, Army..... | 66,349 |
| D75-157 | Other Procurement, Army..... | 6,200 |
| D75-32B | Shipbuilding and Conversion, Navy..... | 1,793,590 |
| D75-158 | Family Housing, Defense..... | 41,314 |
| Defense - Civil: | | |
| D75-37C | Wildlife Conservation, Military Reservations..... | 437 |
| Health, Education, and Welfare: | | |
| Health Resources Administration: | | |
| D75-159 | Health Resources..... | 81,439 |
| Office of Education: | | |
| D75-160 | Emergency School Aid..... | <u>161,493</u> |
| | Subtotal, Deferrals..... | <u>2,151,022</u> |
| | Total, Rescissions and Deferrals..... | 2,389,345 |

SUMMARY OF PROPOSED
RESCISSIONS AND DEFERRALS

(\$ in thousands)

| | <u>Budget Authority</u> |
|---|-----------------------------|
| Total rescissions and deferrals (included in tenth special message)..... | 2,389,345 |
| Amounts previously reported (for these items)..... | 1,245,192 |
| Change:..... | +1,144,153 |
| Consisting of: | |
| New items..... | (+595,318) |
| Amounts previously reported..... | (+548,835) |

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

| | | |
|--|-----------------------------------|----------------|
| <u>Agency Department of Health, Education, and Welfare</u> | New budget authority | \$ 919,997,000 |
| <u>Bureau Health Services Administration</u> | (P.L. <u>94-7</u>) | |
| <u>Appropriation Title & Symbol</u> | Other budgetary resources | -- |
| Health Services 7550350 (see activities below) | Total Budgetary Resources | 919,997,000 |
| | Amount proposed for rescission | 1,623,000 |

Justification

| <u>Program/Activity</u> | <u>Total Budgetary Resources</u> | <u>Amount Proposed for Rescission</u> |
|------------------------------------|--------------------------------------|---|
| Other Health Services Programs ... | \$ 618,982,000 | -- |
| Community Health Centers | 200,400,000 | \$1,080,000 |
| Family planning | <u>100,615,000</u> | <u>543,000</u> |
| Total | \$ 919,997,000 | \$1,623,000 |

The proposed rescission of \$1.6 million in funds made available for evaluation of community health centers (\$1,080,000) and family planning (\$543,000) activities reflects a reduction in the original scope of evaluation within the Health Services Administration (HSA). In 1975, a total of \$21 million was made available for evaluation of all health programs, including \$5.5 million for HSA programs. As part of overall reductions in spending for contract and evaluation activity, HSA has identified a total of \$1.6 million in evaluation projects. The funds proposed for rescission would be for new evaluation projects and do not represent a reduction in commitment levels. Moreover, the Department has not ordinarily used all of the funds initially planned for evaluation on evaluation activities. Funds not so used have been applied to program operations.

Estimated Effects

Of the \$1,080,000 proposed rescission for community health centers, only three projects totaling \$150,000 would be funded in 1975 if the rescission is not adopted. These projects were intended to evaluate the impact of community health centers on health status of enrollees and the impact of program management improvements. Within HEW's authority to reprogram funds set aside for program evaluation, the remaining \$930,000 would be reprogrammed to program operations, given the absence of appropriate evaluation projects for funding.

Of the \$543,000 proposed rescission for family planning services, only nine projects, totaling \$395,000, would be funded in 1975 if the rescission is not adopted. These projects would have evaluated the impact of integrating family planning services with other health delivery programs, the impact of family planning services on recipients, and an analysis of clinic patterns and family planning training programs. These subjects have, of course, been studied in the past. The remaining \$148,000 would, likewise, be reprogrammed to program operations in the absence of appropriate evaluation projects for funding.

The highest priority evaluation projects will be funded in 1975 within the amounts currently available. Thus, this proposed rescission will not have a significant adverse effect on program operations in 1975.

| <u>Total FY 1975 Outlays</u> | <u>Dollars in millions</u> |
|--|----------------------------|
| FY 1976 Budget (current estimate) | 258 |
| Without rescission | 258 |
| With rescission (current estimate) | <u>257</u> |
| (Effect of action on 1976 outlays | -1) |

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Appropriations provided for activities under section 314(e) of the Public Health Service Act for fiscal year 1975 in Public Law 93-324, as amended, are rescinded in the amount of \$1,080,000.

Appropriations provided for activities under Title X of the Public Health Service Act for fiscal year 1975 in Public Law 93-324, as amended, are rescinded in the amount of \$543,000.

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

| | | |
|--|-----------------------------------|---------------|
| <u>Agency</u> Department of Health, Education, and Welfare | New budget authority | \$ 14,250,000 |
| <u>Bureau</u> Alcohol, Drug Abuse, and Mental Health Administration | (P.L. <u>94-7</u>) | |
| <u>Appropriation Title & Symbol</u> | Other budgetary resources | 27,144,000 |
| Alcohol, Drug Abuse, and Mental Health - 7551361 | Total Budgetary Resources | 41,394,000 |
| (General Mental Health Community Programs-Construction of Centers) | Amount proposed for rescission | 14,250,000 |

Justification

With the proposed rescission, a total of \$27,144,000 remains available to this program from prior year appropriations. The 626 community mental health centers supported under the CMHC program have sufficiently demonstrated the concept of community-oriented mental health and social service delivery. This narrow categorical construction program is not needed to assure the ongoing delivery of such services. Moreover, the CMHC construction program inequitably singles out a few selected communities for facility construction subsidies limited to the provision of mental health and social services rather than the entire spectrum of integrated health and social services.

There is nationally an excess of hospital beds and no apparent shortage of office space to serve as consultation space for such services. The States, localities, and private sources, within their overall priorities, should be able to support any future construction necessary for this purpose. Such facilities can be financed through long-term loans from the private capital markets.

Estimated Effects:

During the current fiscal year, a total of 191 construction awards would have been made without this rescission, from resources totalling \$41,394,000. Of this amount, \$13,370,000 and 57 projects represent FY 1973 appropriation restorations: \$13,774,000 and 68 projects relate to other prior-year balances carried forward into 1975; and \$14,250,000 and 66 projects represent resources authorized under the continuing resolution. The last item is proposed for rescission, leaving a proposed 1975 operating level of 125 projects and \$27,144,000. The funds proposed for rescission would normally not be obligated until 1976 due to a backlog of unobligated prior year appropriations and, accordingly, the outlay savings will occur at the end of 1976 and beginning of 1977.

Total 1975 OutlaysDollars in Millions

| | |
|---|-----------|
| 1976 Budget (Current estimate) | 21 |
| Without rescission | 21 |
| With rescission | <u>21</u> |
| (Effect of action on 1976 outlays | --) |

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Appropriations provided for construction under section 201 of the Community Mental Health Centers Act for fiscal year 1975 in Public Law 93-324, as amended, are rescinded in the amount of \$14,250,000.

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

| | | |
|--|-----------------------------------|------------|
| Agency Department of Health, Education, and Welfare | New budget authority | \$ _____ |
| Bureau | (P.L. _____) | |
| Health Resources Administration | Other budgetary resources | 18,261,331 |
| Appropriation Title & Symbol | | |
| Health Resources | Total Budgetary Resources | 18,261,331 |
| 75X0712 | | |
| (D.C. Medical Facilities Construction) | Amount proposed for rescission | 2,000,000 |

Justification

The funds proposed for rescission were appropriated in 1972 under the authority of the District of Columbia Medical Facility Act (P.L. 90-457). These funds were intended to be used for the planning of future hospital construction projects. This legislation has since expired and all construction funds appropriated pursuant to this act have been allocated to various hospitals within the District of Columbia. In allowing this Act to expire, the Congress recognized the inequity of singling out medical facilities of the District of Columbia for special Federal construction subsidies, beyond the support to which they are entitled under assistance programs generally available.

In view of the fact that this legislation has not been extended and additional funds for construction purposes are not available, the \$2 million of planning funds remaining from prior appropriations is proposed for rescission.

Estimated Effects

Since authorizing legislation has expired and since all construction funds have been allocated, the \$2 million available for planning future construction projects is no longer required. This proposed rescission will have no effect on projects currently under construction which have been funded under this program. There will be no impact on outlays.

| <u>Total FY 1975 Outlays</u> | <u>Dollars in millions</u> |
|--|----------------------------|
| FY 1976 Budget (current estimate) | 14 |
| Without rescission | 14 |
| With rescission (current estimate) | 14 |
| (Effect of action on FY 1976 outlays | -0-) |

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The unobligated balance of funds appropriated for grants under the authority of the District of Columbia Medical Facilities Construction Act of 1968 (P.L. 90-457) is rescinded in the amount of \$2,000,000.

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

| | | |
|---|-----------------------------------|-----------------------|
| <u>Agency Health, Education, and Welfare</u> | New budget authority | \$ <u>806,568,000</u> |
| <u>Bureau Health Resources Administration</u> | (P.L. 93-517,) 93-554, and | |
| <u>Appropriation Title & Symbol</u> | Other budgetary resources 94-7 | <u>717,697,000</u> |
| Health Resources - 7550712 75X0712 | Total Budgetary Resources | <u>1,524,265,000</u> |
| | Amount proposed for rescission | <u>220,450,000</u> |

Justification:

| <u>Program/Activity</u> | <u>Total Budgetary Resources</u> | <u>Amount Proposed for Rescission</u> |
|--|--------------------------------------|---|
| Nursing Institutional Assistance | | |
| Capitation Grants | 34,343,000 | 34,343,000 |
| Financial Distress Grants ... | 4,750,000 | 4,750,000 |
| Student Assistance | | |
| Traineeships | 13,016,000 | 13,016,000 |
| Public Health | 20,520,000 | 20,520,000 |
| Allied Health | 33,821,000 | 33,821,000 |
| Health Facilities Construction | | |
| Health Teaching Facilities .. | <u>114,000,000</u> | <u>114,000,000</u> |
| Total Affected by Rescission | \$220,450,000 | \$220,450,000 |
| Other HRA Activities | 586,118,000 | |
| Unobligated Balances Available, Start of Year | 717,697,000 | |
| Total Budgetary Resources | 1,524,265,000 | |

Health Professions - Nursing

The proposed rescission of nurse training funds reflects the conclusion that across-the-board Federal subsidies of nurse training institutions and nursing students is not warranted. The overall supply of registered nurses has increased from 504,000 in 1959 to 777,000 in 1973, and is projected to reach more than 1 million by 1980. These numbers reflect the near doubling in the enrollments of nurse training programs from 1960 to 1972--from 119,000 to 213,000. These increases demonstrate both the general attractiveness of the nursing profession to substantial numbers of the Nation's youth, and the responsiveness of the nursing labor market to the demand for persons with these skills and training. Furthermore, nursing is an undergraduate field, and nursing students can and should look for financial assistance to the general purpose student aid programs made available through the U.S. Office of Education--especially guaranteed loans and basic educational opportunity grants for finan-

cially hard-pressed students. These general purpose student assistance programs were not available when the nurse training authorities first were adopted. Now that they are available they should be used to support nursing students as well as those in other undergraduate fields.

Public Health

This proposed rescission reflects the conclusion that continued categorical Federal institutional and student subsidies for post-baccalaureate public health training are not warranted on the basis of either compelling social need or basic equity. Graduate training in public health is for most students an avenue to enhanced professional stature and increased earning power. Students in schools of public health should be expected to bear the costs necessary to obtain the benefits from their advanced educational experience. It is difficult to identify convincing reasons for continuing to single out, from among the universe of other socially useful disciplines (e.g., law, economics, public administration), the field of graduate public health education for categorical Federal subsidies. Graduate students in public health training are eligible for benefits from the needs-based educational assistance programs administered by the Office of Education.

Allied Health

Given the relatively low costs of allied health training and the sufficient economic incentives already present, continued categorical Federal subsidies to institutions and students in the allied health field are no longer warranted. The allied health occupations include more than 2.7 million workers, and in recent years comprise the fastest growing segment of health workers--increasing in number by 75% from 1960 to 1970. Allied health work involves training mostly at the pre-baccalaureate level, directed toward meeting locally perceived labor market needs. As such any need for tax support is appropriately the responsibility of State and local governments. More than 2,500 allied health training programs are in existence in U.S. junior and senior colleges, most of which were founded and operate without Federal subsidy. Students in the allied health field are entitled, just as are students in all other fields of undergraduate study, to the needs-based educational assistance provided generally under the programs of the Office of Education (e.g., subsidized loans and basic educational opportunity grants).

Health Teaching Facilities Construction

The proposed rescission is based on a determination that there is no compelling need for further Federal construction grant support for expanding the capacity of U.S. health teaching facilities. Current projections indicate continued significant expansion of the aggregate supply of health professionals, due in large part to the significant increases already experienced in the numbers of enrollments and graduates in U.S. health professions schools. From 1965 to 1974, for example, medical school enrollments and the number of graduates each grew by 56 percent--enrollments from 32,428 to 50,477; and graduates from 7,409 to 11,580. These increases foreshadow continued major growth in the aggregate supply of health professionals. Current projections indicate that from 1970 to 1985 the physician supply will increase by over 60 percent, dentists by almost 40 percent, and registered nurses by almost 75 percent.

Estimated Effects:

Health Professions - Nursing

The proposed rescission would remove the need to obligate amounts authorized under the Continuing Resolution for two forms of institutional assistance, capitation and financial distress grants. Approximately 1,100 of the Nation's 1,400 nurse training programs would be effected by this action, involving per-student capitation awards of about \$200. On the average, such capitation grants now cover less than 10 percent of the annual educational costs of participating nursing programs. These costs can be offset by increased revenues from other sources, including, for example, increased tuition payments, just as they are for most other occupations. Only about 60 (4 percent) of the 1,400 nursing programs would be affected by the rescission of the financial distress funds, with the average amount of assistance being less than \$80,000 per institution. Other sources of revenue would have to be used, as they are for most other occupations, to meet the schools' funding requirements. The proposed rescission also would eliminate the amounts authorized for traineeship grants, used to pay tuition and stipends for students in graduate nursing programs. Approximately 3,000 trainees would be affected by this action, with an average annual assistance level of \$4,300 per student.

Public Health

The proposed rescission would remove the need to obligate amounts authorized under the Continuing Resolution for the following activities: formula and project grants to public health schools, and traineeship grants used to make tuition payments for and provide stipends and allowances to graduate students in public health. An estimated 18 schools of public health would be affected, involving approximately 57 projects and almost 12,000 trainees.

Allied Health

The proposed rescission would remove the need to obligate amounts authorized under the Continuing Resolution for the following activities: project grants to allied health professions training programs, and traineeship grants used to make tuition payments for and provide stipends and allowances to graduate students in the allied health fields. An estimated 470 grants would be affected by this action, as well as over 5,000 allied health graduate trainees.

Health Teaching Facilities Construction

The proposed rescission of \$114,000,000 would avoid further grant funding in FY 1975 for the renovation or construction of teaching facilities. Approximately 70 facilities, and an estimated 2,500 first-year student places, would be affected by this action.

Total FY 1975 Outlays

Dollars in millions

| | |
|--|------------|
| FY 1976 Budget (current estimate) | \$167 |
| Without rescission | 209 |
| With rescission (current estimate) | <u>167</u> |

(Effect of action on FY 1976 outlays -33)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Appropriations provided for "Health resources" for fiscal year 1975 in Public Law 93-324, as amended, are rescinded in the amount of \$220,450,000.

DEFERRAL OF BUDGET AUTHORITY
 Report Pursuant to Sec. 1013 of P.L. 93-344

| | | |
|---|--|-----------------------------|
| Agency Department of Defense | New budget authority (P.L. 93-437) | \$ <u>339,800,000</u> |
| Bureau | Other budgetary resources | <u>816,386,814</u> |
| Appropriation Title & Symbol | Total Budgetary Resources | <u>1,156,186,814</u> |
| Procurement of Weapons and Tracked Combat Vehicles, Army appropriations | Amount to be deferred part of year | <u> </u> |
| | Amount to be deferred for entire year | <u>200,000</u> |

Justification

These procurement appropriations are available for obligation for three years. Numerous program increases and decreases have occurred that have resulted in funds being unprogrammed at this time. Release of these deferred funds will be contingent upon additional program developments, cost increases, or transfers pursuant to section 834 of the Department of Defense Appropriation Act, 1975.

The following multi-year appropriation is currently being deferred under provisions of the Anti-Deficiency Act (31 U.S.C. 665), which authorize the establishment of reserves for contingencies.

| | | |
|---|-----------|-----------|
| Procurement of Weapons and Tracked Combat Vehicles, Army | 215/72033 | \$200,000 |
|---|-----------|-----------|

Estimated Effects

Of total budgetary resources of \$1,156 million, all but \$200 thousand have been made available to meet program requirements. Deferral of \$200 thousand will have no program or budgetary impact, since these funds could not be even if made available. Rather, the deferral of these multi-year funds assures availability of funds in the future.

Total 1975 Outlays

| | <u>Dollars in Millions</u> |
|-------------------------------------|----------------------------|
| 1976 Budget (February transmittal) | \$420 |
| Without Deferral (current estimate) | 420 |
| With Deferral (revised estimate) | 420 |
| (Effect of action on 1976 outlays) | -0-) |

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Sec. 1013 of P.L. 93-344

| | | |
|---|--|-----------------------------|
| <u>Agency</u> Department of Defense | New budget authority | \$ <u>692,749,000</u> |
| <u>Bureau</u> | (P.L. <u>93-437</u>) | |
| | Other budgetary resources | <u>2,859,821,646</u> |
| <u>Appropriation Title & Symbol</u> | Total Budgetary Resources | <u>3,552,570,646</u> |
| Procurement of Ammunition, Army appropriations | Amount to be deferred part of year | <u> </u> |
| | Amount to be deferred for entire year | <u>66,349,000</u> |

Justification

These procurement appropriations are available for obligation for three years. Reduced inventory requirements for certain types of ammunition have resulted in \$66.3 million being unprogrammed at this time. Release of these deferred funds will be contingent upon additional program developments, cost increases, or transfers pursuant to section 834 of the Department of Defense Appropriation Act, 1975.

The following multi-year appropriation is currently being deferred under provisions of the Anti-Deficiency Act (31 U.S.C. 665), which authorize the establishment of reserves for contingencies.

| | | |
|---------------------------------|-----------|--------------|
| Procurement of Ammunition, Army | 215/72034 | \$66,349,000 |
|---------------------------------|-----------|--------------|

Estimated Effects

Of total budgetary resources of \$3,552 million, \$3,486 million have been made available to meet program requirements. Deferral of \$66.3 million will have no program or budgetary impact, since these funds could not be obligated even if made available. Rather, the deferral of these multi-year funds assures availability of funds in the future.

Total 1975 Outlays

| | <u>Dollars in millions</u> |
|-------------------------------------|----------------------------|
| 1976 Budget (February transmittal) | \$673 |
| Without Deferral (current estimate) | 673 |
| With Deferral (revised estimate) | 673 |
| (Effect of action on 1976 Outlays) | -0-) |

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Sec. 1013 of P.L. 93-344

| | | |
|---|---------------------------------------|----------------------|
| Agency Department of Defense | New budget authority | \$ 643,200,000 |
| Bureau | (P.L. 93-437) | |
| | Other budgetary resources | 540,044,180 |
| Appropriation Title & Symbol | Total Budgetary Resources | <u>1,183,244,180</u> |
| Other Procurement, Army appropriations | Amount to be deferred part of year | _____ |
| | Amount to be deferred for entire year | <u>6,200,000</u> |

Justification

These procurement appropriations are available for obligation for three years. Numerous program increases and decreases have occurred that have resulted in funds unprogrammed at this time. Release of these deferred funds will be contingent upon additional program developments, cost increases, or transfers pursuant to section 834 of the Department of Defense Appropriation Act, 1975.

The following multi-year appropriation is currently being deferred under provisions of the Anti-Deficiency Act (31 U.S.C. 665) which authorize the establishment of reserves for contingencies.

| | | |
|-------------------------|-----------|-------------|
| Other Procurement, Army | 215/72035 | \$6,200,000 |
|-------------------------|-----------|-------------|

Estimated Effects

Of total budgetary resources of \$1,183 million, \$1,177 million have been made available to meet program requirements. Deferral of \$6.2 million will have no program or budgetary impact as these funds could not be obligated even if made available. Rather, the deferral of these multi-year funds assures availability of funds in the future.

Total 1975 Outlays

| | <u>Dollars in millions</u> |
|-------------------------------------|----------------------------|
| 1976 Budget (February transmittal) | \$391 |
| Without Deferral (current estimate) | 391 |
| With Deferral (revised estimate) | 391 |
| (Effect of action on 1976 Outlays) | -0- |

SUPPLEMENTARY REPORT
REPORT PURSUANT TO SEC. 1014(C) OF P.L. 93-344

This supplementary message further modifies Deferral No. D75-32 transmitted in the special message of October 4, 1974, and printed as House Document No. 93-365; which was amended by Deferral No. D75-32A transmitted in the special message of December 27, 1974, and printed as House Document 94-17.

Total budgetary resources have increased by a net of \$414,868,278 reflecting changes in estimated reimbursable orders and transfers of prior year balances. The increase in the amount deferred is due to the increase in reimbursable orders.

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Sec. 1013 of P.L. 93-344

| | | |
|--|--|------------------|
| Agency Department of Defense | New budget authority | \$ 3,059,000,000 |
| Bureau | (P.L. <u>93-437</u>) | |
| Appropriation Title & Symbol Shipbuilding and Conversion, Navy appropriations | Other budgetary resources | 5,224,466,136* |
| | Total Budgetary Resources | 8,283,466,136* |
| | Amount to be deferred part of year | _____ |
| | Amount to be deferred for entire year | 1,793,590,000* |

Justification*

Due to the long period of time required to build ships, the Congress makes appropriations available for five-year periods.

Since these funds are, by law, made available beyond the current year, they are not fully apportioned in the current year. The unapportioned amount is withheld and released as the program develops and additional funds are required. The amounts deferred are to be released contingent upon the development of program needs that arise in current and future years.

Total budgetary resources have increased by a net of \$414,868,278, reflecting changes in estimated reimbursable orders and transfers of prior year balances. The increase in the amount deferred is due to the increase in reimbursable orders.

The following multi-year appropriations are currently being deferred under provisions of the Anti-Deficiency Act (31 U.S.C. 665) which authorize the establishment of reserves for contingencies.

| | | |
|-----------------------------------|-----------|----------------------|
| Shipbuilding and Conversion, Navy | 173/71611 | \$ 80,000,000 |
| Shipbuilding and Conversion, Navy | 174/81611 | 347,990,000 |
| Shipbuilding and Conversion, Navy | 175/91611 | <u>1,365,600,000</u> |
| | | \$1,793,590,000 |

Estimated Effects*

Of total budgetary resources of \$8.3 billion, \$6.5 billion have been made available to meet program requirements. Deferral of \$1.8 billion will have no program or budgetary impact, since these funds could not be obligated even if made available. Rather, the deferral of these multi-year funds assures availability of funds in future years to meet continuing program requirements.

*Revised from previous submission

Total 1975 Outlays

Dollars in Millions

| | |
|-------------------------------------|-----------|
| 1976 Budget (February transmittal) | \$2,358.0 |
| Without deferral (current estimate) | 2,358.0 |
| With deferral (revised estimate) | 2,358.0 |
| (Effect of action on 1976 outlays | -0-) |

DEFERRAL OF BUDGET AUTHORITY
 Report Pursuant to Sec. 1013 of P.L. 93-344

| | | |
|--|--|------------------|
| Agency Department of Defense | New budget authority (P.L. 93-636) | \$ 1,142,360,000 |
| Bureau | Other budgetary resources | 514,934,953 |
| Appropriation Title & Symbol Family Housing, Defense appropriations | Total Budgetary Resources | 1,657,294,953 |
| | Amount to be deferred part of year | |
| | Amount to be deferred for entire year | 41,314,000 |

Justification

Due to the long period of time required to construct family housing units, the Congress makes appropriations for this purpose available until expended. The funds have been deferred due to cost savings in certain construction projects, inability to award certain other projects within statutory cost limitations, and increased availability of off-base housing which has eliminated the need for on-base housing at some installations. These funds will be apportioned in 1976 for their original purpose -- construction of family housing -- but not necessarily at the original base.

The following no-year appropriation is currently being deferred under provisions of the Anti-Deficiency Act (31 U.S.C. 665) which authorize the establishment of reserves for contingencies.

Family Housing, Defense 97X0700 \$41,314,000

Estimated Effects

Of total budgetary resources of \$1,657 million, \$1,616 million have been made available to meet program requirements. Deferral of \$41.3 million will have no program or budgetary impact as these funds could not be obligated even if made available.

Total 1975 Outlays

| | <u>Dollars in Millions</u> |
|-------------------------------------|----------------------------|
| 1976 Budget (February transmittal) | \$1,077.3 |
| Without Deferral (current estimate) | 1,077.3 |
| With Deferral (revised estimate) | 1,077.3 |
| (Effect of action on 1976 Outlays) | -0-) |

SUPPLEMENTARY REPORT
REPORT PURSUANT TO SEC. 1014(C) OF P.L. 93-344

This supplementary message modifies D75-37B transmitted in the special message of Total budgetary resources have increased by \$14,000 because receipts are now expected to be greater than previously estimated. Total budgetary resources amount to \$1,281,532, of which \$844,245 have been apportioned.

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Sec. 1013 of P.L. 93-344

| | | |
|---|--|-----------------------------|
| Agency Department of Defense | New budget authority | \$ <u>765,000*</u> |
| Bureau | (16 U.S.C. 670 f (a)) | |
| Appropriation Title & Symbol | Other budgetary resources | <u>516,532</u> |
| Wildlife Conservation, etc., Military Reservations appropriations | Total Budgetary Resources | <u>1,281,532*</u> |
| | Amount to be deferred part of year | <u> </u> |
| | Amount to be deferred for entire year | <u>437,287*</u> |

Justification*

These are permanent appropriations. The budgetary resources consist of anticipated receipts and unobligated balances generated from hunting and fishing fees collected on military reservations, pursuant to 16 U.S.C. 670. They may be used only in accordance with the purpose of the law, to carry out a program of natural resource conservation.

Apportionments have been made for all known program requirements. The balance of the funds is being deferred under the provisions of the Anti-Deficiency Act (31 U.S.C. 665). Full apportionment is not requested by the Services because (1) installations may be accumulating funds over a period of time to fund a major project, and (2) there is a seasonal relationship between the collection of fees and their subsequent expenditure. Most of the fees are collected during the winter and spring months, while most of the program work is performed during the summer and fall months. This necessitates that funds collected in a prior year be deferred in order to be available to finance the program during the summer and fall months.

Total budgetary resources have increased by \$14,000 because receipts are now expected to be greater than previously estimated. Amounts will be apportioned as program requirements are identified.

| | | |
|---|---------|------------------|
| Wildlife Conservation, etc., Military Reservations, Army | 21X5095 | \$374,545 |
| Wildlife Conservation, etc., Military Reservations, Navy | 17X5095 | 38,312 |
| Wildlife Conservation, etc., Military Reservations, Air Force | 57X5095 | <u>24,430</u> |
| | | <u>\$437,287</u> |

Estimated Effects

These deferrals have no programmatic or budgetary effect because the funds could not be obligated if made available.

*Revised from previous submission

Total 1975 Outlays

Dollars in Millions

| | |
|-------------------------------------|-------|
| 1976 Budget (February transmittal) | \$.9 |
| Without Deferral (current estimate) | .9 |
| With Deferral (revised estimate) | .9 |
| (Effect of action on 1976 Outlays | -0-) |

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Sec. 1013 of P.L. 93-344

| | | |
|---|--|---------------|
| Agency Department of Health, Education and Welfare | New budget authority | \$ 98,339,000 |
| Bureau Health Resources Administration | (P.L. <u>94-7</u>) | |
| Appropriation Title & Symbol | Other budgetary resources | --- |
| Health Resources - 7550712 | Total Budgetary Resources | 98,339,000 |
| (Comprehensive Health Planning - Section 314(b) Areawide Grants; Regional Medical Programs) | Amount to be deferred part of year | \$ 81,439,000 |
| | Amount to be deferred for entire year | --- |

Justification:

| <u>Program/Activity</u> | <u>Total Budgetary Resources</u> | <u>Amount Proposed for Deferral</u> |
|---|--|---|
| Comprehensive Health Planning - Section 314(b) Areawide Grants | \$ 23,750,000 | \$ 6,850,000 |
| Regional Medical Programs | 74,589,000 | 74,589,000 |
| Total | \$ 98,339,000 | \$ 81,439,000 |

This deferral of funds that would be available through the last quarter of fiscal year 1975 is proposed pending enactment of the Second Supplemental Appropriation bill now before the Congress.

Estimated Effects:Comprehensive Health Planning

Federal funding support for the operations of the Areawide Comprehensive Health Planning Agencies 314(b) has been provided through April 30, 1975 from available prior year funds. The FY 1975 supplemental appropriation currently before the Congress contains \$16,900,000 to provide for the transitional costs of the 314(b) agencies from May through December 1975, at which time the new planning agencies are to be operational under the recently enacted Health Planning and Resources Development Act, P.L. 93-641. The \$23,750,000 available under the Continuing Resolution spending authority represents a full year's operating cost for these agencies, and thus exceeds the funding requirements for this activity by \$6,850,000, the amount proposed for deferral. Deferral of the \$6,850,000 will have no effect upon current program activities.

Regional Medical Programs:

This proposal represents a deferral of Continuing Resolution spending authority until the Congress completes action on the Second Supplemental Appropriation bill. The Continuing Resolution provides \$74,589,000, whereas the President has proposed a budget level of \$12 million for costs associated with the transition of RMP into the new health planning program. The Conference Committee report on the Continuing Resolution states that: "It is not expected that the full amount of \$75 million authorized by the Continuing Resolution for 1975 will be obligated." All fifty-three RMP's have sufficient funds from prior year appropriations to maintain operations until June 30, 1975. Deferring the \$74,589,000 until the Supplemental Appropriation bill is approved will have no effect on current program activities.

| <u>Total 1975 Outlays</u> | <u>Dollars in Millions</u> |
|--------------------------------------|----------------------------|
| 1976 Budget (current estimate)..... | 2 |
| Without deferral..... | 2 |
| With deferral (revised estimate).... | <u>2</u> |
| (Effect of action on 1976 outlays... | ---) |

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Sec. 1013 of P.L. 93-344

| | | |
|--|---|-----------------------|
| Agency Department of Health, Education, and Welfare | New budget authority | \$ <u>236,493,000</u> |
| Bureau Office of Education | (P.L. _____) Other budgetary resources | --- |
| Appropriation Title & Symbol | Total Budgetary Resources | <u>236,493,000</u> |
| Emergency School Aid 7550275 | Amount to be deferred part of year | <u>161,493,000</u> |
| | Amount to be deferred for entire year | <u>---</u> |

Justification:

This deferral of annual funds is proposed to allow time for the President and the Congress to reach agreement on the nature of the program and on a final funding level under the Second Supplemental Appropriation bill now pending before the Congress.

This program supports activities of local Education Agencies that are in the process of desegregating for the purposes of meeting the educational needs incident to elementary and/or secondary school desegregation, encouraging voluntary elimination of minority group isolation in elementary and secondary schools, and overcoming educational disadvantages that are the result of minority group isolation. In addition, funds are provided for rendering technical assistance in the preparation, adoption, and implementation of desegregation plans for public schools and provides services and training for people to deal with the special educational problems occasioned by desegregation.

Currently, this program's major portion of support is spread over all the States on a State apportionment formula basis. Thus, without regard to need, funds are made available to all States. The Administration has proposed substantive legislation, the Desegregation Assistance Act, to permit funding to be targeted on those areas where the need, both programmatically and financially, is greatest.

Estimated Effect

The amount identified represents a deferral of a portion of continuing resolution spending authority until the Congress completes action on the Second Supplemental Appropriation bill. The proposed deferral of \$161,493,000 represents the difference between the continuing resolution authorized spending level of \$236,493,000 and the President's proposed budget level of \$75,000,000. This deferral will not prevent the ultimate obligation of the funds if the reduction proposal affecting this appropriation is not executed as proposed. Since this is a forward funded program, outlays in the current fiscal year will not be affected by this proposal.

The estimated effects described above with regard to the timing of obligations and the readiness of the Office of Education to obligate funds are accurate despite statements to the contrary by the General Accounting Office in recent letters from the Comptroller General to the Speaker of the House and the President of the Senate. Contrary to the GAO letter, obligations in fiscal year 1974 for the Emergency School Aid program were not made in the third quarter, but rather in the fourth quarter. Allocation of funds was made to the regional offices in the third quarter of fiscal year 1974, but obligations did not occur until the fourth quarter. Also, contrary to the GAO letter, Office of Education officials estimate that all emergency school aid funds can be obligated by June 30 of this fiscal year.

| <u>Total 1975 Outlays</u> | <u>Dollars in millions</u> |
|-----------------------------------|----------------------------|
| 1976 Budget (current estimate)... | \$207 |
| Without Deferral | \$207 |
| With Deferral | <u>\$207</u> |
| (Effect on 1976 Outlays) | \$--- |