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SENATE

{ REPORT  
108-143

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND  
URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES  
APPROPRIATIONS BILL, 2004

SEPTEMBER 5, 2003.—Ordered to be printed

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

**REPORT**

[To accompany S. 1584]

The Committee on Appropriations reports the bill (S. 1584) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2004, and for other purposes, reports favorably thereon and recommends that the bill do pass.

*Amount of new budget (obligational) authority*

|  |                   |
|--|-------------------|
| Amount of bill as reported to Senate ..... | \$122,740,712,000 |
| Amount of appropriations, 2003 .....       | 118,754,173,000   |
| Amount of budget estimates, 2004 .....     | 122,140,905,000   |
| Above estimates for 2004 .....             | 599,807,000       |
| Above appropriations for 2003 .....        | 3,986,539,000     |

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## INTRODUCTION

The Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies appropriations bill for fiscal year 2004 provides a total of \$122,740,712,000 in budget authority, including approximately \$32,706,712,000 in mandatory spending. The Committee did its best to meet all important priorities within the bill, with the highest priority given to veterans programs and section 8 contract renewals. Other priorities included maintaining environmental programs at or above current year levels, and ensuring needed funds for our Nation's space and scientific research programs. The Committee paid special attention to the final report of the Columbia Accident Investigation Board which was issued on August 26, 2003.

As recommended by the Committee, this bill attempts to provide a fair and balanced approach to the many competing programs and activities under the VA-HUD subcommittee's jurisdiction.

The Committee recommendation provides \$29,314,729,000 in discretionary funding for the Department of Veterans Affairs, an increase of \$2,795,257,000 above the fiscal year 2003 enacted level and \$1,305,576,000 above the budget request. The funds include \$1,300,000,000 in emergency funding for Medical Care. The Committee has made veterans programs the highest priority in the bill. Increases in VA programs above the budget request are recommended for medical care and medical research.

For the Department of Housing and Urban Development, the Committee recommendation totals \$36,085,777,000, an increase of \$876,869,000 above the fiscal year 2003 enacted level and \$157,645,000 above the budget request. The Committee has provided significant funding for all HUD programs while also providing the needed funding for all expiring section 8 contracts. The Committee believes a balanced approach to the funding of housing programs is key to meeting the housing needs of low-income families.

For the Environmental Protection Agency, the Committee recommendation totals \$8,182,718,000, an increase of \$104,656,000 above the fiscal year 2003 enacted level and an increase of \$552,130,000 above the budget request.

The Committee recommendation for the National Aeronautics and Space Administration totals \$15,338,907,000, the same as the fiscal year 2003 level and \$130,393,000 below the budget request.

For the National Science Foundation, the Committee recommendation totals \$5,585,760,000, an increase of \$104,569,000 above the budget request. The Committee views NSF as a key investment in the future and this funding is intended to reaffirm the strong and longstanding leadership of this Committee in support of scientific research and education.

## REPROGRAMMING AND INITIATION OF NEW PROGRAMS

The Committee continues to have a particular interest in being informed of reprogrammings which, although they may not change either the total amount available in an account or any of the purposes for which the appropriation is legally available, represent a significant departure from budget plans presented to the Committee in an agency's budget justifications.

Consequently, the Committee directs the Departments of Veterans Affairs and Housing and Urban Development, and the agencies funded through this bill, to notify the chairman of the Committee prior to each reprogramming of funds in excess of \$250,000 between programs, activities, or elements unless an alternate amount for the agency or department in question is specified elsewhere in this report. The Committee desires to be notified of reprogramming actions which involve less than the above-mentioned amounts if such actions would have the effect of changing an agency's funding requirements in future years or if programs or projects specifically cited in the Committee's reports are affected. Finally, the Committee wishes to be consulted regarding reorganizations of offices, programs, and activities prior to the planned implementation of such reorganizations.

The Committee also expects the Departments of Veterans Affairs and Housing and Urban Development, the Environmental Protection Agency, the National Aeronautics and Space Administration, the National Science Foundation, the Corporation for National and Community Service, and the Consumer Product Safety Commission, to submit operating plans, signed by the respective secretary, administrator, chief executive officer, or agency head, for the Committee's approval within 30 days of the bill's enactment. Other agencies within the bill should continue to submit operating plans consistent with prior year policy.

TITLE I—DEPARTMENT OF VETERANS AFFAIRS

|                                |                  |
|--------------------------------|------------------|
| Appropriations, 2003 .....     | \$58,100,432,000 |
| Budget estimate, 2004 .....    | 60,718,865,000   |
| Committee recommendation ..... | 62,024,441,000   |

GENERAL DESCRIPTION

The Veterans Administration was established as an independent agency by Executive Order 5398 of July 21, 1930, in accordance with the Act of July 3, 1930 (46 Stat. 1016). This act authorized the President to consolidate and coordinate Federal agencies especially created for or concerned with the administration of laws providing benefits to veterans, including the Veterans' Bureau, the Bureau of Pensions, and the National Home for Disabled Volunteer Soldiers. On March 15, 1989, VA was elevated to Cabinet-level status as the Department of Veterans Affairs.

The VA's mission is to serve America's veterans and their families as their principal advocate in ensuring that they receive the care, support, and recognition they have earned in service to the Nation. The VA's operating units include the Veterans Health Administration, Veterans Benefits Administration, National Cemetery Administration, and staff offices.

The Veterans Health Administration develops, maintains, and operates a national health care delivery system for eligible veterans; carries out a program of education and training of health care personnel; carries out a program of medical research and development; and furnishes health services to members of the Armed Forces during periods of war or national emergency. A system of 162 hospitals, 864 outpatient clinics, 137 nursing homes, and 43 domiciliaries is maintained to meet the VA's medical mission.

The Veterans Benefits Administration provides an integrated program of nonmedical veteran benefits. This Administration administers a broad range of benefits to veterans and other eligible beneficiaries through 58 regional offices and the records processing center in St. Louis, MO. The benefits provided include: compensation for service-connected disabilities; pensions for wartime, needy, and totally disabled veterans; vocational rehabilitation assistance; educational and training assistance; home buying assistance; estate protection services for veterans under legal disability; information and assistance through personalized contacts; and six life insurance programs.

The National Cemetery Administration provides for the interment of the remains of eligible deceased servicepersons and discharged veterans in any national cemetery with available grave space; permanently maintains these graves; marks graves of eligible persons in national and private cemeteries; and administers the grant program for aid to States in establishing, expanding, or im-

proving State veterans' cemeteries. The National Cemetery Administration includes 154 cemeterial installations and activities.

Other VA offices, including the general counsel, inspector general, Boards of Contract Appeals and Veterans Appeals, and the general administration, support the Secretary, Deputy Secretary, Under Secretary for Health, Under Secretary for Benefits, and the Under Secretary for Memorial Affairs.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$62,024,441,000 for the Department of Veterans Affairs, including \$32,709,712,000 in mandatory spending and \$29,314,729,000 in discretionary spending. The amount provided for discretionary activities represents an increase of \$1,305,576,000 above the budget request and \$2,795,157,000 above the fiscal year 2003 enacted level.

The Committee once again has made VA its top priority in the fiscal year 2004 VA-HUD bill. Specifically, the Committee is committed to ensuring that veterans have access to the quality medical care and services they deserve, in a timely manner.

The Committee remains committed to funding fully the medical care needs of VA's core constituency—service-connected, lower income, and special needs veterans. VA, unfortunately, has been overwhelmed by substantial increases in users of the VA health care system. The demand for VA health care has resulted in thousands of veterans waiting for medical care and in many instances, waiting times of over 6 months.

Many believe that the demand and increase in users in the VA health care system has been due to its generous health care benefits (primarily prescription drug benefits), its vastly improved quality access, and expanded eligibility and benefits authorized by the Congress—the “Veterans’ Health Care Eligibility Reform Act of 1996” and the “Veterans Millennium Health Care Act of 1999.” Prior to the Eligibility Reform Act of 1996, VA generally targeted health care to its core constituents—the service-connected, the lower income, and those veterans requiring specialized services. However, eligibility reform opened the door to all veterans and while the benefit package varies among the priority groups established under the 1996 Act, all veterans have shared equal access once enrolled in the VA health care system.

The authorizing committees believed that the 1996 Act would attract relatively few new users and would be budget neutral. The authors of eligibility reform assumed that receipts from first and third party payers, co-pays, and insurance, would offset the cost of the services for Priority 8 veterans. Further, eligibility reform was predicated on the enactment of Medicare Subvention, whereby Medicare would reimburse VA for treating Medicare-eligible veterans.

The General Accounting Office [GAO] found that eligibility reform increased outpatient pharmacy use and expenditures among all veterans. In its November 2002 report, GAO found that from 1996 through 2001, the number of Priority 7 veterans treated has increased by almost eightfold (from 107,520 veterans to 827,722 veterans). VA spent \$418,000,000 on outpatient pharmacy benefits for non-core veterans in fiscal year 2001 and since the implementa-

tion of eligibility reform in 1999, Priority 7 veterans' use of the pharmacy benefit has increased rapidly. Specifically, the usage has increased from about 11,000,000 30-day equivalents of drugs or supplies in fiscal year 1999 to about 26,000,000 30-day equivalents in fiscal year 2001. Further, GAO found that pharmacy usage among VA's core constituents also has increased significantly. In particular, VA spent \$2,460,000,000 in fiscal year 2001 compared to \$1,900,000,000 in fiscal year 1999 for Priority 1-6 veterans.

The Millennium Act also increased VA medical care expenditures by expanding long-term care for veterans. The Act requires VA to provide institutional nursing care for 70 percent and above service-connected disabled veterans, making non-institutional long-term care services a part of the basic benefits package provided to all enrollees, and providing emergency care services. VA projects these benefits to cost VA an additional \$740,000,000 annually.

Eligibility reform and the Millennium Act combined with the improved VA's health care system and VA's favorable pharmacy benefits compared to other providers has created the current care quality and access problems for VA's core constituents. These factors have resulted in 54 percent growth in total users since 1996 with the non-core veterans groups comprising the largest percentage increase. Despite record appropriation funding increases over the past few years, VA continues to fail to meet the needs of its core constituents. Some of its failure has been due to the Department's inability to meet its own collections goals and other significant management inefficiencies.

To VA's credit, the Department has taken steps to address the health care access problems for its core veterans by prioritizing medical care for its core veterans and reducing the waiting lines for medical care by suspending new enrollments of higher income veterans and through collaborative work with the Institute for Healthcare Improvement [IHI]. Further, the VA, the Department of Health and Human Services [HHS], and the Centers for Medicare & Medicare Services [CMS] are developing a new VA + Choice program. VA + Choice will offer veterans a health care benefit package that is competitive with those currently offered by Medicare organizations. VA projects to enroll about 25,000 veterans within the first year, beginning by October 2003. VA also plans for this program to be revenue neutral and not use appropriated funds to supplement the program. Further, the Department has made recent strides in its medical care collections and management systems.

The Administration's fiscal year 2004 budget request proposes a \$1,300,000,000 increase for VA medical care to meet the growing demand of users. The request, however, also proposes a new \$250 annual enrollment fee for nonservice-connected Priority 7 veterans and all Priority 8 veterans, an increase in outpatient and pharmacy co-pays for Priority 7 and 8 veterans, and a limitation on long-term care benefits.

The Committee recognizes that these policy initiatives are consistent with the current practice of charging cost-share costs to lower priority veterans and ensuring that VA's health care remains focused on its core constituents. Nevertheless, the Committee has not included these fee proposals in the bill and believes that further debate is needed to understand fully their implications. The

Committee urges the authorizing committees to examine these fee proposals.

The Committee recognizes that funding alone will not fully address the medical care needs of VA's core constituents—service-connected, lower income, and special needs veterans. The Committee believes that the Department must ensure greater accountability in the medical care system and improve its long-standing management inefficiencies to ensure that it can assure veterans and taxpayers that VA is providing quality, accessible health care.

The Committee has provided \$2,898,776,000 in additional funding above the fiscal year 2003 enacted level for VA medical care. This level is \$1,570,000,000 above the fiscal year 2004 budget request. Further, with third party collections projected to be \$178,000,000 above the fiscal year 2003 level, VA medical care will have \$3,076,776,000 more than available in fiscal year 2003. The Committee has also directed the Secretary to continue providing priority access for treatment of veterans to its core constituents. Further, the Committee has provided discretionary authority to the Secretary to streamline the process for filling privately written prescriptions for veterans. Under this authority, the Committee directs the Secretary to ensure that this process is budget neutral. Lastly, the Committee encourages the Secretary to explore other options allowed under current law related to co-pay structures.

The Committee expects that the significant funding increase for medical care, coupled with additional administrative tools, will allow the VA to address the quality and access medical care needs of its core constituents.

The Committee has chosen not to use the administration's new budget account structure without prejudice. The Committee supports the administration's efforts to align costs and funding with each program and to simplify the account structure. The Committee encourages the administration to continue these efforts in consultation with the Appropriations Committees.

#### VETERANS BENEFITS ADMINISTRATION

##### COMPENSATION AND PENSIONS

##### (INCLUDING TRANSFER OF FUNDS)

|                                |                  |
|--------------------------------|------------------|
| Appropriations, 2003 .....     | \$28,949,000,000 |
| Budget estimate, 2004 .....    | 29,845,127,000   |
| Committee recommendation ..... | 29,845,127,000   |

##### PROGRAM DESCRIPTION

Compensation is payable to living veterans who have suffered impairment of earning power from service-connected disabilities. The amount of compensation is based upon the impact of disabilities on earning capacity. Death compensation or dependency and indemnity compensation is payable to the surviving spouses and dependents of veterans whose deaths occur while on active duty or result from service-connected disabilities. A clothing allowance may also be provided for service-connected veterans who use a prosthetic or orthopedic device.



Pensions are an income security benefit payable to needy war-time veterans who are precluded from gainful employment due to non-service-connected disabilities which render them permanently and totally disabled. Under the Omnibus Budget Reconciliation Act of 1990, veterans 65 years of age or older are no longer considered permanently and totally disabled by law and are thus subject to a medical evaluation. Death pensions are payable to needy surviving spouses and children of deceased wartime veterans. The rate payable for both disability and death pensions is determined on the basis of the annual income of the veteran or his survivors.

This account also funds burial benefits and miscellaneous assistance.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$29,845,127,000 for compensation and pensions. This is an increase of \$896,127,000 above the fiscal year 2003 enacted level and the same as the budget request. This amount includes the cost of living adjustment for fiscal year 2004.

The estimated caseload and cost by program follows:

#### COMPENSATION AND PENSIONS

|  | 2003                  | 2004                  | Difference           |
|--|-----------------------|-----------------------|----------------------|
| <b>Caseload:</b>   |                       |                       |                      |
| <b>Compensation:</b>   |                       |                       |                      |
| Veterans .....   | \$2,466,212           | \$2,543,600           | + \$77,388           |
| Survivors .....  | 312,109               | 316,747               | + 4,638              |
| Children .....   | 1,088                 | 1,115                 | + 27                 |
| Clothing allowance (non-add) .....                                   | (84,409)              | (86,681)              | (+ 2,272)            |
| <b>Pensions:</b>   |                       |                       |                      |
| Veterans .....   | 342,815               | 339,905               | - 2,910              |
| Survivors .....  | 223,560               | 213,648               | - 9,912              |
| Minimum income for widows (non-add) .....                            | (0)                   | (0)                   | (0)                  |
| Burial allowances and service connected deaths .....                 | 94,138                | 94,977                | + 839                |
| <b>Funds:</b>  |                       |                       |                      |
| <b>Compensation:</b>   |                       |                       |                      |
| Veterans .....   | 21,120,999,000        | 22,829,533,000        | + 1,708,534,000      |
| Survivors .....  | 3,947,369,000         | 4,060,390,000         | + 113,021,000        |
| Children .....   | 18,418,000            | 19,166,000            | + 748,000            |
| Clothing allowance .....   | 49,632,000            | 52,938,000            | + 3,306,000          |
| OBRA Payments (Public Laws 101-508 and 102-568) .....                | 1,267,000             | 1,179,000             | - 88,000             |
| Medical exams pilot program (Public Law 104-275) .....               | 50,192,000            | 50,439,000            | + 247,000            |
| <b>Pensions:</b>   |                       |                       |                      |
| Veterans .....   | 2,568,099,000         | 2,643,048,000         | + 74,949,000         |
| Survivors .....  | 715,369,000           | 731,562,000           | + 16,193,000         |
| Minimum income for widows .....                                      |                       |                       |                      |
| Contract Medical Exam Pilot Program .....                            | 558,000               | 561,000               | + 3,000              |
| OBRA (Public Laws 101-508, 102-568, and 103-446) .....               | 7,296,000             | 6,787,000             | - 509,000            |
| OBRA Payment to Medical Care (Public Laws 101-508 and 102-568) ..... | 8,575,000             | 9,090,000             | + 515,000            |
| Payment to Medical Facilities (non-add) .....                        | (1,072,000)           | (1,093,000)           | (+ 21,000)           |
| Burial benefits .....  | 157,225,000           | 157,253,000           | + 28,000             |
| Other assistance .....   | 3,467,000             | 3,509,000             | + 42,000             |
| Unobligated balance and transfers .....                              | + 300,534,000         | - 720,328,000         | - 1,020,862,000      |
| <b>Total appropriation .....</b>                                     | <b>28,949,000,000</b> | <b>29,845,127,000</b> | <b>+ 896,127,000</b> |

The appropriation includes \$17,617,000 in payments to the “General operating expenses” and “Medical care” accounts for expenses related to implementing provisions of the Omnibus Budget Reconciliation Act of 1990, the Veterans’ Benefits Act of 1992, the Veterans’ Benefits Improvements Act of 1994, and the Veterans’ Benefits Improvements Act of 1996. The amount also includes funds for a projected fiscal year 2004 cost-of-living increase of 2.0 percent for pension recipients.

The Committee notes the GAO’s report on addressing the Veterans Benefits Administration’s [VBA] workforce needs in the area of claims processing. GAO found that about 16 percent of new examiners hired in fiscal year 2001 left VBA within 12 months of their hiring date. This rate was more than double the rate for all VBA employees. The Committee urges VBA to determine the reasons for this attrition rate and develop methods to reduce the attrition.

READJUSTMENT BENEFITS

|                                |                 |
|--------------------------------|-----------------|
| Appropriations, 2003 .....     | \$2,264,808,000 |
| Budget estimate, 2004 .....    | 2,529,734,000   |
| Committee recommendation ..... | 2,529,734,000   |

PROGRAM DESCRIPTION

The readjustment benefits appropriation finances the education and training of veterans and servicepersons whose initial entry on active duty took place on or after July 1, 1985. These benefits are included in the All-Volunteer Force Educational Assistance Program (Montgomery GI bill) authorized under 38 U.S.C. 30. Eligibility to receive this assistance began in 1987. Basic benefits are funded through appropriations made to the readjustment benefits appropriation and transfers from the Department of Defense. Supplemental benefits are also provided to certain veterans and this funding is available from transfers from the Department of Defense. This account also finances vocational rehabilitation, specially adapted housing grants, automobile grants with the associated approved adaptive equipment for certain disabled veterans, and educational assistance allowances for eligible dependents of those veterans who died from service-connected causes or have a total permanent service-connected disability as well as dependents of servicepersons who were captured or missing in action.

COMMITTEE RECOMMENDATION

The Committee recommends the budget estimate of \$2,529,734,000 for readjustment benefits. The amount recommended is an increase of \$264,926,000 above the fiscal year 2003 enacted level.

The estimated caseload and cost for this account follows:

READJUSTMENT BENEFITS

|  | 2003   | 2004   | Difference |
|--|--------|--------|------------|
| Number of trainees:                      |        |        |            |
| Education and training: dependents ..... | 56,314 | 59,128 | +2,814     |

## READJUSTMENT BENEFITS—Continued

|  | 2003          | 2004          | Difference     |
|--|---------------|---------------|----------------|
| All-Volunteer Force educational assistance:                  |               |               |                |
| Veterans and servicepersons .....                            | 328,244       | 332,026       | +3,782         |
| Reservists .....   | 91,090        | 94,734        | +3,644         |
| Vocational rehabilitation .....                              | 71,549        | 73,517        | +1,968         |
| Tuition assistance .....                                     | 120,000       | 140,000       | +20,000        |
| Total .....  | 667,197       | 699,405       | +32,208        |
| Licensing and certification tests .....                      | 7,500         | 15,000        | +7,500         |
| Funds:   |               |               |                |
| Education and training: Dependents .....                     | \$249,048,000 | \$266,749,000 | + \$17,701,000 |
| All-Volunteer Force educational assistance:                  |               |               |                |
| Veterans and servicepersons .....                            | 1,700,424,000 | 1,936,005,000 | + 235,581,000  |
| Reservists .....   | 161,189,000   | 170,938,000   | + 9,749,000    |
| Vocational rehabilitation .....                              | 216,079,000   | 225,911,000   | 9,832,000      |
| Tuition assistance .....                                     | 352,375,000   | 388,386,000   | + 36,011,000   |
| Licensing and certification tests .....                      | 2,594,000     | 5,371,000     | + 2,777,000    |
| Housing grants .....   | 25,200,000    | 25,200,000    | .....          |
| Automobile and other conveyances .....                       | 37,832,000    | 38,532,000    | + 700,000      |
| Work-study .....   | 46,440,000    | 46,440,000    | .....          |
| Payment to States .....                                      | 14,000,000    | 18,000,000    | + 4,000,000    |
| Reporting fees .....   | 3,500,000     | 3,600,000     | + 100,000      |
| Unobligated balance and other adjustments <sup>1</sup> ..... | - 543,873,000 | - 595,398,000 | - 51,525,000   |
| Total appropriation .....                                    | 2,264,808,000 | 2,529,734,000 | + 264,926,000  |

<sup>1</sup> Includes offsetting collections.

## VETERANS INSURANCE AND INDEMNITIES

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$27,530,000 |
| Budget estimate, 2004 .....    | 29,017,000   |
| Committee recommendation ..... | 29,017,000   |

## PROGRAM DESCRIPTION

The veterans insurance and indemnities appropriation is made up of the former appropriations for military and naval insurance, applicable to World War I veterans; National Service Life Insurance, applicable to certain World War II veterans; Servicemen's indemnities, applicable to Korean conflict veterans; and veterans mortgage life insurance to individuals who have received a grant for specially adapted housing.

## COMMITTEE RECOMMENDATION

The Committee recommends the budget estimate of \$29,017,000 for veterans insurance and indemnities. This is an increase of \$1,487,000 above the fiscal year 2003 enacted level. The Department estimates there will be 4,110,960 policies in force in fiscal year 2004 with a value of \$703,970,770,000.

VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM ACCOUNT  
(INCLUDING TRANSFER OF FUNDS)

|                                | Program account | Administrative expenses |
|--------------------------------|-----------------|-------------------------|
| Appropriations, 2003 .....     | \$437,522,000   | \$167,114,000           |
| Budget estimate, 2004 .....    | 305,834,000     | 154,850,000             |
| Committee recommendation ..... | 305,834,000     | 154,850,000             |

PROGRAM DESCRIPTION

This appropriation provides for all costs, with the exception of the Native American Veteran Housing Loan Program, of VA's direct and guaranteed housing loans, as well as the administrative expenses to carry out these programs, which may be transferred to and merged with the general operating expenses appropriation.

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

COMMITTEE RECOMMENDATION

The Committee recommends such sums as may be necessary for funding subsidy payments, estimated to total \$305,834,000, and \$154,850,000 for administrative expenses. The administrative expenses may be transferred to the "General operating expenses" account. Bill language limits gross obligations for direct loans for specially adapted housing to \$300,000.

EDUCATION LOAN FUND PROGRAM ACCOUNT  
(INCLUDING TRANSFER OF FUNDS)

|                                | Program account | Administrative expenses |
|--------------------------------|-----------------|-------------------------|
| Appropriations, 2003 .....     | \$1,000         | \$69,545                |
| Budget estimate, 2004 .....    | 1,000           | 70,000                  |
| Committee recommendation ..... | 1,000           | 70,000                  |

PROGRAM DESCRIPTION

This appropriation covers the cost of direct loans for eligible dependents and, in addition, it includes administrative expenses necessary to carry out the direct loan program. The administrative funds may be transferred to and merged with the appropriation for the general operating expenses to cover the common overhead expenses.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,000 for funding subsidy program costs and \$70,000 for administrative expenses. The administrative

expenses may be transferred to and merged with the “General operating expenses” account. Bill language is included limiting program direct loans to \$3,400.

Due to the lack of demand for the Education Loan program, the administration has proposed the elimination of the program and has not requested appropriations language for this program. The program has not issued a loan in over 10 years. The administration is expected to transmit legislation that eliminates the program. Accordingly, the Committee defers action on this program to the authorizing committee.

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT  
(INCLUDING TRANSFER OF FUNDS)

|                                | Program account | Administrative expenses |
|--------------------------------|-----------------|-------------------------|
| Appropriations, 2003 .....     | \$55,000        | \$286,764               |
| Budget estimate, 2004 .....    | 52,000          | 300,000                 |
| Committee recommendation ..... | 52,000          | 300,000                 |

PROGRAM DESCRIPTION

This appropriation covers the funding subsidy cost of direct loans for vocational rehabilitation of eligible veterans and, in addition, it includes administrative expenses necessary to carry out the direct loan program. Loans of up to \$896 (based on indexed chapter 31 subsistence allowance rate) are available to service-connected disabled veterans enrolled in vocational rehabilitation programs as provided under 38 U.S.C. chapter 31 when the veteran is temporarily in need of additional assistance. Repayment is made in 10 monthly installments, without interest, through deductions from future payments of compensation, pension, subsistence allowance, educational assistance allowance, or retirement pay.

COMMITTEE RECOMMENDATION

The Committee recommends the requested \$52,000 for program costs and \$300,000 for administrative expenses for the Vocational Rehabilitation Loans Program account. The administrative expenses may be transferred to and merged with the “General operating expenses” account. Bill language is included identifying program direct loans to \$3,938,000. It is estimated that VA will make 4,845 loans in fiscal year 2004, with an average amount of \$813.

Language was added allowing the principal amount of direct loans to be calculated based on the subsidy appropriated for the Vocational Rehabilitation Loans Program account. The loan level provided in the language should be considered an estimate. The Committee directs the Department to monitor carefully the program’s loan activity and notify the Committee during the year if it determines that it may exceed the loan level amount.

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT  
(INCLUDING TRANSFER OF FUNDS)

|                                | <i>Administrative<br/>expenses</i> |
|--------------------------------|------------------------------------|
| Appropriations, 2003 .....     | \$554,373                          |
| Budget estimate, 2004 .....    | 571,000                            |
| Committee recommendation ..... | 571,000                            |

PROGRAM DESCRIPTION

This program will test the feasibility of enabling VA to make direct home loans to native American veterans who live on U.S. trust lands. It is a pilot program that began in 1993 and expires on December 31, 2005. Subsidy amounts necessary to support this program were appropriated in fiscal year 1993.

COMMITTEE RECOMMENDATION

The Committee recommends the budget estimate of \$571,000 for administrative expenses associated with this program in fiscal year 2004. These funds may be transferred to the "General operating expenses" account.

GUARANTEED TRANSITIONAL HOUSING LOANS FOR HOMELESS  
VETERANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

PROGRAM DESCRIPTION

This program was established by Public Law 105-368, the Veterans Programs Enhancement Act of 1998. The program is a pilot project designed to expand the supply of transitional housing for homeless veterans and to guarantee up to 15 loans with a maximum aggregate value of \$100,000,000. Not more than five loans may be guaranteed in the first 3 years of the program. The project must enforce sobriety standards and provide a wide range of supportive services such as counseling for substance abuse and job readiness skills. Residents will be required to pay a reasonable fee.

COMMITTEE RECOMMENDATION

All funds authorized for this program have been appropriated. Therefore, additional appropriations are not required. Administrative expenses of the program, estimated at \$750,000 for fiscal year 2004, will be borne by the "Medical care" and "General operating expenses" appropriations.

The Committee is concerned that the homeless loan program has not closed one loan since its inception in 1998. While VA has retooled this program and made some limited progress over the past year, the Committee is troubled that this program has not gotten off the ground. Accordingly, the Committee directs the Department to provide a status report on the program by no later than March 1, 2004. The report should include information on the number of loans closed, estimated number of veterans served, and the total dollars (administrative, credit subsidy, etc.) spent on the program since its inception.

VETERANS HEALTH ADMINISTRATION  
MEDICAL CARE

|                                | Veterans direct health care | Medical care collections | Total medical care with collections |
|--------------------------------|-----------------------------|--------------------------|-------------------------------------|
| Appropriations, 2003 .....     | \$23,889,304,000            | \$1,386,000,000          | \$25,275,304,000                    |
| Budget estimate, 2004 .....    | 25,218,080,000              | 2,141,409,000            | 27,359,489,000                      |
| Committee recommendation ..... | 26,788,080,000              | 1,564,000,000            | 28,352,080,000                      |

PROGRAM DESCRIPTION

The Department of Veterans Affairs [VA] operates the largest Federal medical care delivery system in the country, with 162 hospitals, 43 domiciliaries, 137 nursing homes, and 864 outpatient clinics which includes independent, satellite, community-based, and rural outreach clinics.

This appropriation provides for medical care and treatment of eligible beneficiaries in VA hospitals, nursing homes, domiciliaries, and outpatient clinic facilities; contract hospitals; State home facilities on a grant basis; contract community nursing homes; and through the hometown outpatient program, on a fee basis. Hospital and outpatient care also are provided for certain dependents and survivors of veterans under the Civilian Health and Medical Program of the VA [CHAMPVA]. The medical care appropriation also provides for training of medical residents and interns and other professional paramedical and administrative personnel in health science fields to support the Department's and the Nation's health manpower demands.

The Department of Veterans Affairs Medical Care Collections Fund [MCCF] was established by the Balanced Budget Act of 1997 (Public Law 105-33). The Department deposits first-party and pharmacy co-payments, third party insurance payments, enhanced use collections, long-term care co-payments, Compensated Work Therapy Program collections, Compensation and Pension Living Expenses Program collections, Parking Program fees, and collections from the sales of assets into the MCCF. These collections are available until expended. The Committee has accepted the administration's proposal to merge these accounts together.

The Parking Program provides funds for the construction, alteration, and acquisition (by purchase or lease) of parking garages at VA medical facilities authorized by 38 U.S.C. 8109. The Secretary is required under certain circumstances to establish and collect fees for the use of such garages and parking facilities. Receipts from the parking fees are to be deposited in to the MCCF and would be used to fund future parking garage initiatives.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$26,788,080,000 for medical care, an increase of \$2,870,000,000 over the fiscal year 2003 enacted level and \$1,570,000,000 above the budget request. The Committee has designated \$1,300,000,000 as contingent emergency funds. The Committee has recaptured \$270,000,000 in prior

year recoveries for medical care use. In addition, VA has authority to retain co-payments and third-party collections, estimated to total \$1,564,000,000 in fiscal year 2004. The estimated medical care cost recovery collections for fiscal year 2004 is a \$178,000,000 increase over the fiscal year 2003 collections level. Combined with the appropriated funds, medical care would receive \$3,076,776,000 more funds than the fiscal year 2003 level. Therefore, the Committee's recommendation represents total resources for medical care of \$28,352,080,000.

The Committee has included bill language delaying the availability until August 1, 2004, of \$1,100,000,000 in the equipment, lands, and structures object classifications.

The Committee has included bill language to make available through September 30, 2005, up to \$1,100,000,000 of the medical care appropriation. This provides flexibility to the Department as it continues to implement significant program changes.

The Committee has provided \$1,300,000,000 in emergency funding for medical care due to the unanticipated and urgent need of veterans seeking medical treatment and services. The Department has seen unprecedented growth in the number of enrolled veterans since 1999. VA has seen an increase of 3,100,000 enrollees during this period and VA projects even more growth in the program. Further, these emergency funds will allow VA to treat unaccounted veterans from the current Iraqi conflict and peacekeeping efforts around the world, including the Persian Gulf, Bosnia, the Philippines, and Liberia.

The Committee has included bill language that directs the Secretary to prioritize funding for treatment of its core veterans—service-connected, lower income, homeless, and special needs. The Committee has also included bill language that prioritizes medical care funding on its primary medical benefit package (such as those benefits defined under 38 C.F.R. 17.38) for its high priority veterans. The Committee has included these directives to reinforce the Department's efforts on refocusing its mission on serving its core constituents.

Further, the Committee has provided discretionary authority to the Secretary to streamline the process for filling privately written prescriptions for veterans. Under this authority, the Committee expects the Secretary to exercise this "medication-only" benefit authority for limited and special circumstances. In particular, the Committee urges the use of this authority to address veterans who are adversely impacted by the waiting time to see a clinician. The Committee also supports the implementation of a pilot program to determine the cost-effectiveness of a streamlined process for filling privately written prescriptions. For example, the Secretary could permit Medicare-eligible veterans to receive an outpatient medication-only benefit and construct such a program as proposed in S. 1153, the Veterans Prescription Drug Assistance Act of 2003. Under any circumstance, the Committee expects the Department to collect and independently verify data on the costs and benefits of implementing a med-only benefit process for veterans and directs the VA to submit a status report to the Committee by no later than June 2, 2004. Lastly, the Committee encourages the Secretary to



explore other options allowed under current law related to co-pay structures.

The Committee has not included the administration's request to spend \$50,000,000 in fiscal year 2004 to fund studies on the cost-benefit of outsourcing VA functions. The Committee, however, believes that VA should be able to assess the cost of certain commercial, non-governmental type services such as laundry, janitorial, and food services, which are already privatized in many VA facilities.

*CARES.*—The Committee has provided bill language that allows the Secretary to transfer up to \$400,000,000 from medical care to major construction for purposes of implementing the Capital Asset Realignment for Enhanced Services or “CARES” program. The effectiveness and efficiency of VA's medical care service delivery is dependent on the quality and accessibility of its system. The VA, currently, is wasting millions of dollars from the medical care account to maintain and operate unnecessary and empty spaces in its medical care inventory. Accordingly, the Committee has provided this transfer authority to replace VA's unnecessary facilities and spaces with new, modernized facilities closer to the current and projected growing veteran population. The Committee strongly believes that a significant upfront investment is needed to address VA's aging and outdated medical infrastructure. The Committee directs the Department to notify the Committee prior to exercising this authority.

*Homelessness.*—According to the VA, the Department estimates that it will spend \$1,397,879,000 on treatment costs for homeless veterans and another \$174,001,000 on targeted programs to assist homeless veterans in fiscal year 2004. The Committee supports these expenditures and strongly believes that treating homeless veterans should be one of the VA's highest priorities, especially given the large population of veterans that represent the overall homeless population. As part of the administration's efforts coordinated through the U.S. Interagency Council on Homelessness [ICH] to end chronic homelessness in 10 years, the Committee urges the VA to develop a strategy consistent with the administration's 10-year goal by creating department-wide performance goals. These goals should also address the VA's efforts in preventing homelessness among veterans. Further, the Committee strongly urges the Department to participate in local efforts on devising 10-year plans that support the end of chronic homelessness. The Committee expects the Department to work with the ICH on addressing these matters.

The Committee urges the Department to continue its support for the Brother Francis Shelter, which treats homeless veterans in Anchorage, Alaska.

*Integrative Healing Practices.*—The Committee is aware of significant improvements in patient care outcomes demonstrated by integrative healing practices employed as adjuncts to conventional biomedical methods. The Committee is supportive of more definitive research to identify and evaluate integrated healing practices that have efficacy for our veterans, particularly those veterans suffering from Post Traumatic Stress Disorder and other conditions exhibited by troops returning from Iraq, Afghanistan, and other lo-

cations, Gulf War Syndrome, and those who are terminally ill and in palliative or end-of-life care. The Committee expects the Department to collaborate as a full partner with the Department of Defense in the VET-HEAL program—an Integrative Healing Practices for Veterans Research Project—with a goal of identifying and investigating those integrative healing practices appropriate for inclusion in everyday VA patient care.

*Anchorage Health Care Clinic.*—The Committee notes that the Department will not renew the existing lease for the clinic in Anchorage, Alaska, which will expire in 2007. Instead, the Department will replace the clinic with a new facility at the Elmendorf AFB. To ensure that local veterans do not experience any gap in medical coverage during this transition period, the Committee strongly urges the Department to begin addressing this issue with planning and design work, consistent with the CARES protocols.

*Clarksburg/Ruby Memorial Demonstration.*—The Committee supports continuation at current levels of the Clarksburg VAMC/Ruby Memorial hospital demonstration project.

*Elko County CBOC.*—The Committee is aware that veterans in Elko County, Nevada, must travel more than 200 miles for VA medical care—either to the Community Based Outpatient Clinic [CBOC] in White Pine County or to the medical center in Salt Lake City—and that VA’s market penetration in Elko County is only 5 percent, one of the lowest rates in the country. The Committee is aware that the Network Strategic Plan for VISN 19 includes a recommendation to locate a CBOC in Elko County and encourages VA to implement this recommendation.

*Rural Veterans Health Care Initiative.*—The Committee supports continuation at the current level of the Rural Veterans Health Care Initiative at White River Junction, VT VAMC.

*Psychology Post-Doc Program.*—The Committee recognizes the VA’s Psychology Post-Doctoral Training program and directs the Department to provide a progress report by December 5, 2003 on the number of training slots, their location, and progress in their interdisciplinary training programs.

MEDICAL AND PROSTHETIC RESEARCH

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$397,400,000 |
| Budget estimate, 2004 .....    | 408,000,000   |
| Committee recommendation ..... | 413,000,000   |

PROGRAM DESCRIPTION

The “Medical and prosthetic research” account provides funds for medical, rehabilitative, and health services research. Medical research supports basic and clinical studies that advance knowledge leading to improvements in the prevention, diagnosis, and treatment of diseases and disabilities. Rehabilitation research focuses on rehabilitation engineering problems in the fields of prosthetics, orthotics, adaptive equipment for vehicles, sensory aids and related areas. Health services research focuses on improving the effectiveness and economy of delivery of health services.

COMMITTEE RECOMMENDATION

The Committee recommends \$413,000,000 for medical and prosthetic research, which is \$5,000,000 above the budget request and \$15,600,000 above the fiscal year 2003 enacted level. The Committee remains highly supportive of this program, and recognizes its importance both in improving health care services to veterans and recruiting and retaining high-quality medical professionals in the Veterans Health Administration.

*Human Identical Cytochromes.*—The Committee is encouraged by the potential results from research by the Nashville VA Medical Center and Vanderbilt University Medical Center on human identical cytochromes. Research in this field will improve methods for the synthesis and characterization of drug metabolites prior to initiating human testing. The Committee urges the Department to evaluate this promising research and consider possible funding options.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$74,230,000 |
| Budget estimate, 2004 .....    | 79,146,000   |
| Committee recommendation ..... | 79,146,000   |

PROGRAM DESCRIPTION

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

Language to clarify the treatment of 2-year funding was added to permit treating the operating dollars as one fund during the first year of availability.

COMMITTEE RECOMMENDATION

The Committee recommends \$79,146,000 for medical administration and miscellaneous operating expenses, an increase of \$4,916,000 above the fiscal year 2003 enacted level and the same as the budget request.

In 2000, VA established a reimbursement process between VHA, NCA, and VBA for project technical and consulting services to be provided by the Facilities Management Service Delivery Office. The estimated level of reimbursement to the Medical Administration and Miscellaneous Operating Expenses account in fiscal year 2004 for facilities management support is \$8,426,000.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

|                                |                              |
|--------------------------------|------------------------------|
| Appropriations, 2003 .....     | <sup>1</sup> \$1,345,849,000 |
| Budget estimate, 2004 .....    | 1,283,272,000                |
| Committee recommendation ..... | 1,283,272,000                |

<sup>1</sup> Includes \$100,000,000 supplemental funding included in Public Law 108–11.

PROGRAM DESCRIPTION

This appropriation provides for the administration of nonmedical veterans benefits through the Veterans Benefits Administration [VBA], the executive direction of the Department, several top level supporting offices, of the Board of Contract Appeals, and the Board of Veterans' Appeals.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$1,283,272,000 for general operating expenses, a decrease of \$62,577,000 below the fiscal year 2003 enacted level. The amount provided includes \$1,004,704,000 for the Veterans Benefits Administration and \$278,568,000 for general administration. In addition to this appropriation, resources are made available for general operating expenses through reimbursements totaling \$550,146,000 for fiscal year 2004, with total estimated obligations of approximately \$1,833,418,000.

The Committee recommends making available \$64,000,000 of the GOE appropriation for 2 years, and the current level of \$25,000 for official reception and representation expenses.

NATIONAL CEMETERY ADMINISTRATION

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$132,284,000 |
| Budget estimate, 2004 .....    | 144,203,000   |
| Committee recommendation ..... | 144,203,000   |

PROGRAM DESCRIPTION

The National Cemetery Administration was established in accordance with the National Cemeteries Act of 1973. It has a four-fold mission: to provide for the interment in any national cemetery of the remains of eligible deceased servicepersons and discharged veterans, together with their spouses and certain dependents, and permanently to maintain their graves; to mark graves of eligible persons in national and private cemeteries; to administer the grant program for aid to States in establishing, expanding, or improving State veterans' cemeteries; and to administer the Presidential Memorial Certificate Program.

There are a total of 157 cemeterial installations in 39 States, the District of Columbia, and Puerto Rico. The Committee's recommendation for the National Cemetery Administration provides funds for all of these cemeterial installations.

Language to clarify the treatment of 2-year funding was added to permit treating the operating dollars as one fund during the first year of availability.

COMMITTEE RECOMMENDATION

The Committee recommends \$144,203,000 for the National Cemetery Administration. This is an increase of \$11,919,000 over the fiscal year 2003 enacted level and the same as the budget request.

OFFICE OF THE INSPECTOR GENERAL

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$57,623,000 |
| Budget estimate, 2004 .....    | 61,750,000   |
| Committee recommendation ..... | 62,250,000   |

PROGRAM DESCRIPTION

The Office of Inspector General was established by the Inspector General Act of 1978 and is responsible for the audit and investigation and inspections of all Department of Veterans Affairs programs and operations.

COMMITTEE RECOMMENDATION

The Committee recommends \$62,250,000 for the Inspector General. This is an increase of \$4,627,000 above the fiscal year 2003 enacted level and \$500,000 above the budget request.

CONSTRUCTION, MAJOR PROJECTS

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$99,128,000 |
| Budget estimate, 2004 .....    | 272,690,000  |
| Committee recommendation ..... | 272,690,000  |

PROGRAM DESCRIPTION

The construction, major projects appropriation provides for constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of VA, including planning, architectural and engineering services, Capital Asset Realignment Enhanced Services [CARES] activities, assessment, and site acquisition where the estimated cost of a project is more than the amount set forth in 38 U.S.C. 8104(a)(3)(A). Proceeds realized from Enhanced Use Lease activities may also be transferred from the Medical Care Collections Fund and merged with the major construction account.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$272,690,000 for construction, major projects, \$173,562,000 above the fiscal year 2003 enacted level and the same level as the budget request.

The following table compares the Committee recommendation with the budget request.

[In thousands of dollars]

| Location and description                      | Available through 2003 | 2004 request     | Committee recommendation |
|---|------------------------|------------------|--------------------------|
| Veterans Health Administration [VHA]:         |                        |                  |                          |
| CARES Project—TBD <sup>1</sup> .....          | .....                  | 183,000          | 183,000                  |
| Chicago, IL, new Inpatient Bed Building ..... | .....                  | ( <sup>2</sup> ) | .....                    |
| Subtotal CARES .....                          | .....                  | 183,000          | 183,000                  |
| Advance planning fund: Various stations ..... | .....                  | 15,000           | 15,000                   |
| Asbestos abatement: Various stations .....    | .....                  | 5,000            | 5,000                    |
| Claims Analyses: Various locations .....      | .....                  | 2,000            | 2,000                    |
| Judgment Fund: Various locations .....        | .....                  | 10,000           | 10,000                   |
| Hazardous Waste: Various locations .....      | .....                  | 1,000            | 1,000                    |

[In thousands of dollars]

| Location and description   | Available through 2003 | 2004 request | Committee recommendation |
|--|------------------------|--------------|--------------------------|
| Subtotal, Other line-items .....                                       |                        | 33,000       | 33,000                   |
| Total Medical Care construction, major projects .....                  |                        | 216,000      | 216,000                  |
| Veterans Benefits Administration (VBA) .....                           |                        | 271          | 271                      |
| National Cemetery Administration (NCA): <sup>3</sup>                   |                        |              |                          |
| Detroit, MI Area, Phase I Development .....                            |                        | 8,700        | 8,700                    |
| Cemetery Expansion and Improvements:                                   |                        |              |                          |
| Fort Snelling, MN, gravesite expansion and cemetery improvements ..... |                        | 24,800       | 24,800                   |
| Barrancas, FL, gravesite expansion and cemetery improvements .....     |                        | 12,000       | 12,000                   |
| Subtotal, Construction .....   |                        | 45,500       | 45,500                   |
| Design Fund: Various locations .....                                   |                        | 6,000        | 6,000                    |
| Advance Planning Fund: Various locations .....                         |                        | 2,919        | 2,919                    |
| Subtotal, Other line-items .....                                       |                        | 8,919        | 8,919                    |
| Total NCA construction, major projects .....                           |                        | 54,419       | 54,419                   |
| Staff Offices: Various locations .....                                 |                        | 2,000        | 2,000                    |
| Total construction, major projects .....                               |                        | 272,690      | 272,690                  |

<sup>1</sup> Projects will be selected after the completion of the CARES studies and will be forwarded to Congress for authorization and approval.

<sup>2</sup> This project may be funded by enhanced-use revenues.

<sup>3</sup> National Cemetery Administration major project requests do not include the purchase of pre-placed crypts, which are funded by the Compensation and Pensions appropriation.

The Committee recommends the requested amount of \$183,000,000 for major construction projects approved through the Department's Capital Asset Realignment for Enhanced Services [CARES] program. The Committee has also provided transfer authority to shift funds from the medical care account to the major construction account to support construction projects approved through CARES. Combined with these transferred funds, the Committee is providing up to \$583,000,000 for CARES.

The Committee also recommends the requested amounts for the development of the Detroit, Michigan National Cemetery, and expansion and improvements for Fort Snelling, Florida and Barrancas, Florida National Cemeteries.

**CARES.**—The Committee remains strongly committed to the Capital Asset Realignment for Enhanced Services [CARES] initiative to ensure the VA healthcare system can meet the needs of veterans today and in the future.

The Committee supports the Department's efforts to complete all remaining CARES plans for the rest of the Nation. The Committee reiterates the directives regarding CARES from the fiscal year 2003 conference report. Specifically, VA should submit a 5-year strategic plan for capital asset management, construction and improvement of all VA's infrastructure needs including, but not limited to, major construction, minor construction, research facilities, safety and seismic improvements, and improved access for veterans. This report should include estimated costs by VISN by year. The Committee expects the Department to update this plan as necessary and to keep the authorizing and appropriations committees informed of any changes.

The Committee commends the Department for moving forward with the implementation of the VISN 12 plan. The Committee is pleased with VA's progress to date but encourages VA to proceed expeditiously with both the outlease of the Lakeside property at full market value and construction of the West Side bed tower project. The Committee supports VA's intention to utilize resources generated from the Lakeside outlease to fund all or part of the West Side bed tower construction project. With prior notification to the Committee, the VA may allocate major construction funds appropriated for CARES to meet any funding shortfalls due to delays in acquiring receipts/revenues for the Lakeside property, for the West Side bed tower project. The Committee urges VA to proceed with the design and construction of both the West Side bed tower simultaneously with the enhanced-use lease for the Lakeside property. The Committee further directs VA to accomplish both of these projects in a manner that minimizes service disruptions to local veterans.

*Beckley, WV Nursing Home Care Unit.*—The Committee urges the VA to include sufficient funding in the 2005 budget request for a new nursing home care unit at the Beckley, WV VAMC upon confirmation that the project is consistent with the strategic plans which emerges from the VISN 6 CARES process.

*Lebanon VAMC.*—The Committee recognizes the need for long-term care enhancements to the Lebanon VA Medical Center and encourages VA to continue to work with the Commonwealth of Pennsylvania to achieve those needs.

*Denver VAMC.*—The Committee supports the efforts to co-locate the Denver VAMC with a new University of Colorado Hospital at the Fitzsimons campus. The Committee encourages the Department to continue working with the University of Colorado and the Department of Defense in developing a cost-effective and efficient plan to address the needs of local veterans.

CONSTRUCTION, MINOR PROJECTS

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$224,531,000 |
| Budget estimate, 2004 .....    | 252,144,000   |
| Committee recommendation ..... | 252,144,000   |

PROGRAM DESCRIPTION

The construction, minor projects appropriation provides for constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of VA, including planning, CARES activities, assessment of needs, architectural and engineering services, and site acquisition, where the estimated cost of a project is equal to or less than the amount set forth in 38 U.S.C. 8104(a)(3)(4). Public Law 106-117, the Veterans Millennium Health Care and Benefits Act of 1999, gave VA the authority to make capital contributions from minor construction in enhanced-use leases. Proceeds realized from Enhanced Use Lease activities may also be transferred from the Medical Care Collections Fund and merged with the minor construction account.

COMMITTEE RECOMMENDATION

The Committee recommends \$252,144,000 for minor construction, the same as the budget request and \$27,613,000 above the fiscal year 2003 enacted level. The Committee is aware of the authorizing committees' efforts to raise the limitation on minor construction projects. The Committee understands that the current limitation has not been raised for several years despite the inflationary cost of construction, and supports the authorizers' efforts to address this matter.

*St. Louis Parking.*—The Committee is aware that the Department is examining the use of enhanced-use leasing at the John Cochran Division of the VA Medical Center in St. Louis, Missouri as a means to address a severe parking deficiency and safety problem at the Medical Center. The Department is strongly encouraged to address this problem.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$99,350,000 |
| Budget estimate, 2004 .....    | 102,100,000  |
| Committee recommendation ..... | 102,100,000  |

PROGRAM DESCRIPTION

This account is used to provide grants to assist States in acquiring or constructing State home facilities for furnishing domiciliary or nursing home care to veterans, and to expand, remodel or alter existing buildings for furnishing domiciliary, nursing home, or hospital care to veterans in State homes. The grant may not exceed 65 percent of the total cost of the project, and grants to any one State may not exceed one-third of the amount appropriated in any fiscal year. Public Law 102-585 granted permanent authority for this program and Public Law 106-117 provided greater specificity in directing VA to prescribe regulations for the number of beds for which grant assistance may be furnished.

COMMITTEE RECOMMENDATION

The Committee recommends \$102,100,000 for grants for the construction of State extended care facilities, equal to the budget request and \$2,750,000 above the fiscal year 2003 enacted level. This program cost-effectively meets long-term health care needs of veterans.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS' CEMETERIES

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$31,792,000 |
| Budget estimate, 2004 .....    | 32,000,000   |
| Committee recommendation ..... | 32,000,000   |

PROGRAM DESCRIPTION

Public Law 105-368, amended title 38 U.S.C. 2408, which established authority to provide aid to States for establishment, expansion, and improvement of State veterans' cemeteries which are operated and permanently maintained by the States. This amendment increased the maximum Federal Share from 50 percent to



100 percent in order to fund construction costs and the initial equipment expenses when the cemetery is established. The States remain responsible for providing the land and for paying all costs related to the operation and maintenance of the State cemeteries, including the costs for subsequent equipment purchases.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$32,000,000 for grants for construction of State veterans' cemeteries in fiscal year 2004, \$208,000 above the fiscal year 2003 enacted level and the same as the budget request.

#### ADMINISTRATIVE PROVISIONS

The Committee has included 13 administrative provisions (Sections 101–113) carried in earlier bills and two new administrative provisions. Among these are:

Section 107 enables VA to use surplus earnings from the National service life insurance, U.S. Government life insurance, and veterans special life insurance program to administer these programs. This provision was included for the first time in fiscal year 1996 appropriations legislation. The Department estimates that \$38,922,000 will be reimbursed to the "General operating expenses" account as a result of this provision.

Section 108 extends the VA's Franchise Fund pilot program.

Section 109 enables the VA to reimburse accounts from enhanced use lease proceeds.

Section 110 allows for fiscal year 2004 only the reimbursement of the Office of Resolution Management [ORM] and the Office of Employment Discrimination Complaint Adjudication [OEDCA] for services provided, from funds in any appropriation for salaries and other administrative expenses.

Section 112 limits funds for medical treatment of non-service connected veterans to those who have provided accurate insurance annual income information.

The two new administrative provisions are as follows:

Section 114 allows medical care appropriations to provide access to the various sources of collections, which are to be deposited into the Medical Care Collection Fund, as well as authorize expenditures for these activities.

Section 115 allows proceeds from Enhanced Use Leasing Activities to be used for planning, and construction of major and minor projects.

TITLE II—DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT

|                                |                  |
|--------------------------------|------------------|
| Appropriations, 2003 .....     | \$35,208,908,000 |
| Budget estimate, 2004 .....    | 35,928,132,000   |
| Committee recommendation ..... | 36,085,777,000   |

GENERAL DESCRIPTION

The Department of Housing and Urban Development [HUD] was established by the Housing and Urban Development Act (Public Law 89–174), effective November 9, 1965. This Department is the principal Federal agency responsible for programs concerned with the Nation’s housing needs, fair housing opportunities, and improving and developing the Nation’s communities.

In carrying out the mission of serving the needs and interests of the Nation’s communities and of the people who live and work in them, HUD administers mortgage and loan insurance programs that help families become homeowners and facilitate the construction of rental housing; rental and homeownership subsidy programs for low-income families who otherwise could not afford decent housing; programs to combat discrimination in housing and affirmatively further fair housing opportunity; programs aimed at ensuring an adequate supply of mortgage credit; and programs that aid neighborhood rehabilitation, community development, and the preservation of our urban centers from blight and decay.

HUD administers programs to protect the homebuyer in the marketplace and fosters programs and research that stimulate and guide the housing industry to provide not only housing, but better communities and living environments.

COMMITTEE RECOMMENDATION

The Committee recommends for fiscal year 2004 an appropriation of \$36,085,777,000 for the Department of Housing and Urban Development. This is \$876,869 above the fiscal year 2003 enacted level and \$157,645 above the budget request.

HOUSING CERTIFICATE FUND

(INCLUDING RECISSION AND TRANSFERS OF FUNDS)

|                                |                               |
|--------------------------------|-------------------------------|
| Appropriations, 2003 .....     | <sup>1</sup> \$17,111,613,000 |
| Budget estimate, 2004 .....    | (2)                           |
| Committee recommendation ..... | <sup>3</sup> 18,433,606,000   |

<sup>1</sup> Includes an advance appropriation of \$4,172,700,000 for fiscal year 2004.

<sup>2</sup> The Administration proposed \$12,535,201,000 through a new “Housing assistance for needy families” account that was designed to transfer authority for section 8 vouchers to States as a block grant. Under the budget request, section 8 project-based assistance would be funded a separate account.

<sup>3</sup> Includes an advance appropriation of \$4,200,000,000 for fiscal year 2005.

## PROGRAM DESCRIPTION

This account provides funding mainly for the section 8 programs, including tenant-based and project-based rental assistance. Section 8 assistance is the principle appropriation for Federal housing assistance and provides rental housing assistance to over 3 million families. The account provides funding for the renewal of the existing Section 8 contracts covering Vouchers, Moderate Rehabilitation, Loan Management, Property Disposition, New Construction/Substantial Rehabilitation, and Preservation contracts. Further, it funds incremental vouchers to assist non-elderly disabled families, to provide vouchers for tenants that live in projects where the owner of the project has decided to leave the section 8 program, or for replacement of units lost from the assisted housing inventory (Tenant Protection vouchers), etc. Under these programs, eligible low-income families pay 30 percent of their adjusted income for rent, and the Federal Government is responsible for the remainder of the rent, up to the fair market rent or some other payment standard. This account also provides funding for the Contract Administrator program and Family Self-Sufficiency [FSS]. The contract administrators are responsible for the oversight and administration of section 8 project-based contracts such as Loan Management, Property Disposition, Preservation, and New Construction/Substantial Rehabilitation. Under FSS, families receive job training and employment that should lead to a decrease in their dependency on welfare programs and move towards economic self-sufficiency.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$18,433,606,000 for fiscal year 2004, including \$4,200,000,000 as an advance appropriation to be made available on October 1, 2004. These funds include \$1,372,000,000 in funds that are rescinded from unobligated balances remaining from funds appropriated for this account in previous fiscal years. These rescinded funds are for use in meeting section 8 needs in fiscal year 2004.

Of these overall amounts, the Committee has allocated \$16,202,616,000 for the renewal of all expiring section 8 contracts; \$461,329,000 for a central fund to be allocated by HUD in support of section 8 contracts up to the authorized section 8 contract level for all public housing agencies; \$252,203,000 for section 8 preservation contracts; \$72,000,000 for family self-sufficiency contracts under section 23 of the 1937 Act; \$1,339,448,400 for section 8 administrative costs; \$100,000,000 for section 8 project-based administration costs; \$3,010,000 for the working capital fund; and up to \$3,000,000 for an outside audit to assess the current status of all funds within the account, including the amount of all obligated and unobligated for all programs for this fiscal year, prior, and subsequent fiscal years. For purposes of this audit, the Committee directs GAO to work with the outside auditors on the status of this account. Finally, the Committee includes a rescission of \$1,372,000,000 from unobligated funds under the section 8 tenant-based program from previous fiscal years in support of section 8 needs in fiscal year 2004.

This account continues to fund all section 8 contracts in a manner consistent with the implementation of the Section 8 program in the VA/HUD fiscal year 2003 Appropriations bill. Under this approach, PHAs would receive funding from HUD for all section 8 contracts that are currently in use and HUD would maintain a central fund to provide additional section 8 funds for PHAs that can fund additional section 8 voucher units up to the authorized contract level. In many cases, PHAs would use their reserves to meet the immediate housing needs of families that can use vouchers to obtain housing up to the PHA's authorized contract level. Once a PHA has exceeded the use of 50 percent of its reserve, HUD would be required to reimburse the PHA for these funds. PHAs that have entered into contracts for units in excess of their authorized contract level for vouchers would be required to meet their authorized voucher level no later than 60 days after the start of the fiscal year. A PHA also could not award any additional vouchers (including turnover vouchers) until the PHA is within its authorized contract level.

While the Committee supports and understands the need for PHAs to allocate to tenants more vouchers than are permissible under their authorized contract levels, the Committee is very concerned over intentional or negligent abuses of this discretion. In particular, the Committee directs the Department to make quarterly reports on PHA utilization rates and to identify PHAs that have exceeded their authorized contract levels by more than 5 percent.

The current section 8 funding structure was first implemented in fiscal year 2003 as an alternative to the previous funding model that required the funding of all section 8 contracts up to the authorized level, whether in use or not. This previous funding structure resulted in the annual availability for rescissions of unused funding in billions of dollars and undermined the credibility of the account. While the new structure is targeted to providing the funding needs of all vouchers in use as well as providing adequate funds for all vouchers that likely will be used, HUD does not have reliable data for these purposes. The Committee directs HUD to develop a real-time data model which will identify the actual use of all vouchers (those in use and those that can and will be used up to the authorized contract level). This HUD model is key to ensuring that families with vouchers will not lose their housing due to a lack of adequate funding or be denied the use of vouchers to obtain housing.

The Committee is concerned that the Administration has not adequately estimated the per-unit costs of vouchers or the utilization rate. This is understandable since much of the available voucher data is old and unreliable. Nevertheless, the Committee has made a commitment to help low-income families obtain affordable housing through the Section 8 programs. Therefore, if the costs of the Section 8 programs exceed the appropriated funding, as estimated by the Administration, the Committee expects the Administration to submit a budget amendment as part of any fiscal year 2004 supplemental appropriations bill to provide the full funding of all section 8 needs.

To support this account, the Committee rejects the Administration's proposal to establish a new account, the Housing Assistance for Needy Families account, that is designed as a transition account to allocate section 8 voucher funding to States through a block grant. Under this proposal, HUD would have continued to administer a Section 8 project-based housing assistance program. The Committee agrees with the philosophical approach of the Administration that States and localities are in a better position to understand and meet the local housing needs of low-income families. Nevertheless, the funding level proposed by the Administration in this proposal is inadequate to meet the State and local housing needs of low-income families and is likely to result in a large funding shortfall and an unfunded mandate over the foreseeable future.

HOUSING ASSISTANCE FOR NEEDY FAMILIES

(INCLUDING TRANSFER OF FUNDS)

|                                |                |
|--------------------------------|----------------|
| Appropriations, 2003 .....     | \$0            |
| Budget estimate, 2004 .....    | 12,535,201,000 |
| Committee recommendation ..... | 0              |

The Committee does not adopt the budget proposal to fund the proposed new section 8 Housing Choice Voucher (tenant-based assistance) program as a separate new account but instead has continued funding for these activities in the Housing Certificate Fund. While the Committee believes that States and localities are in a better position to address State and local housing needs, the Committee is concerned that the block grant proposal does not take into account the actual and future costs associated with section 8 voucher needs. Until there is reliable data on the current per-unit costs and utilization rates of vouchers as well as assurances that the block grant funding will meet all voucher needs, the Committee is not inclined to consider fully the administration's block grant proposal.

PROJECT-BASED RENTAL ASSISTANCE

(INCLUDING TRANSFER OF FUNDS)

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$0           |
| Budget estimate, 2004 .....    | 4,823,405,000 |
| Committee recommendation ..... | 0             |

The Committee does not adopt the budget proposal to fund the Section 8 project-based assistance program as a separate new account but instead has continued to provide funding for these programs in the Housing Certificate Fund.

PUBLIC HOUSING CAPITAL FUND

(INCLUDING TRANSFER OF FUNDS)

|                                |                 |
|--------------------------------|-----------------|
| Appropriations, 2003 .....     | \$2,712,255,000 |
| Budget estimate, 2004 .....    | 2,641,000,000   |
| Committee recommendation ..... | 2,641,000,000   |

PROGRAM DESCRIPTION

This account provides funding for modernization and capital needs of public housing authorities (except Indian housing authori-

ties), including management improvements, resident relocation and homeownership activities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,641,000,000 for the public housing capital fund, the same as the budget request and \$71,255,000 below the fiscal year 2003 enacted level.

Of the amount made available under this section, up to \$55,000,000 is for supportive services for residents of public housing, and \$15,000,000 is for the Neighborhood Networks Initiative in public housing. Funds for the Neighborhood Networks Initiative are provided to establish and operate computer centers in and around public housing. These funds are intended to allow residents of public housing access to the technology skills that are increasingly important in the 21st century workplace.

HUD is prohibited from using any funds under this account as an emergency reserve under section 9(k) of the United States Housing Act of 1937, but is provided up to \$50,000,000 for emergency capital needs including \$13,000,000 for troubled PHAs.

The Committee does not accept the Administration's legislative proposal to finance privately the capital needs of public housing with section 8 funds. The Committee is concerned that the proposal could result in a loss of public housing units, and would not benefit public housing units with the greatest capital needs. The Committee agrees, however, that PHAs should have the tools they need to finance improvements to public housing units. New authority is needed so that public housing authorities can use funds they receive to address critical, deferred maintenance needs. The Committee includes an administrative provision for loan and loan guarantee authority to allow public housing authorities the flexibility to use public housing funds to leverage private capital to rehabilitate distressed units and develop public housing units in mixed-income housing developments. The Committee also includes a set-aside of up to \$125,000,000 for grants and credit subsidy to support this loan and loan guarantee program.

PUBLIC HOUSING OPERATING FUND

|                                |                 |
|--------------------------------|-----------------|
| Appropriations, 2003 .....     | \$3,576,600,000 |
| Budget estimate, 2004 .....    | 3,574,000,000   |
| Committee recommendation ..... | 3,576,600,000   |

PROGRAM DESCRIPTION

This account provides funding for the payment of operating subsidies to some 3,050 public housing authorities (except Indian housing authorities) with a total of over 1.2 million units under management in order to augment rent payments by residents in order to provide sufficient revenues to meet reasonable operating costs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,576,600,000 for the public housing operating fund, the same as the fiscal year 2003 level and \$2,600,000 more than the budget request. HUD is prohibited from using any funds under this account as an emergency reserve under section 9(k) of the United States Housing Act

of 1937. The bill includes language from the fiscal year 2003 appropriations bill that prohibits the use of operating funds to pay for the operating expenses for a prior fiscal year.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING [HOPE VI]

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$570,269,000 |
| Budget estimate, 2004 .....    | 0             |
| Committee recommendation ..... | 195,115,000   |

PROGRAM DESCRIPTION

The “Revitalization of severely distressed public housing” account makes awards to public housing authorities on a competitive basis to demolish obsolete or failed developments or to revitalize, where appropriate, sites upon which these developments exist. This is a focused effort to eliminate public housing which was, in many cases, poorly located, ill-designed, and not well constructed. Such unsuitable housing has been very expensive to operate, and difficult to manage effectively due to multiple deficiencies.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$195,115,000 for the “HOPE VI” account, \$195,115,000 above the budget request and \$375,154,000 below the fiscal year 2003 level. The Committee urges the Department to reconsider the elimination of the HOPE VI program. This program has resulted in the funding of innovative projects that work both as public and mixed-income housing as well as building blocks to revitalizing neighborhoods.

The Committee has included bill language to sunset the HOPE VI program on September 30, 2006. This is an important program that has revitalized many distressed properties as well as being the anchor for the revitalization of many communities in which these properties are located. As noted, the Committee is disappointed that the Administration has eliminated HOPE VI without proper review and without providing alternative authority and funding to address the needs of the remaining PHAs with obsolete units and those with substantial rehabilitation needs.

In particular, since the inception of the HOPE VI program, HUD has approved the demolition of some 140,000 units with a replacement program of mixed income projects. And as noted, these projects have leveraged new investments and revitalized entire communities. Nevertheless, the Committee is disappointed that HUD has failed to evaluate fully the impact of HOPE VI on communities as well as failed to provide a new strategy to continue needed revitalization efforts. The Committee expects the Department to identify those practices used by PHAs that have successfully implemented the HOPE VI program and either work to extend the HOPE VI program or develop appropriate alternative authorities that will continue the efforts of PHAs to develop mixed income/public housing developments that can continue to anchor the redevelopment of their communities. The Committee stresses the importance of a meaningful reauthorization process, and urges the Department to work with the appropriate authorizing committees to make HOPE VI or a successor program a meaningful program for the future.

The Committee also authorizes HUD to recapture funds for use in awarding HOPE VI grants in fiscal year 2004 from HOPE VI grants that were awarded in fiscal year 1997 and prior fiscal years. Funds may only be recaptured where HUD determines a project is less than 90 percent complete and the project is unlikely to be completed successfully within the next 2 fiscal years. In addition, HUD may not recapture funds from a HOPE VI project that has unobligated funds due to litigation or a court ordered consent decree. HUD is also required to develop an alternative housing strategy to meet the needs of the tenants in a failed HOPE VI project and may only recapture those funds from the HOPE VI grant that are not needed to fund this housing strategy. No additional funds may be used to fund an alternative housing strategy or a project that meets the requirements of a failed HOPE VI project. HUD also is consult with the tenants and the PHA on an alternative housing strategy unless HUD determines that efforts of the PHA or the tenants is designed to undermine the recapture of the funds and the development of the alternative housing strategy.

NATIVE AMERICAN HOUSING BLOCK GRANT  
(INCLUDING TRANSFERS OF FUNDS)

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$644,782,000 |
| Budget estimate, 2004 .....    | 646,600,000   |
| Committee recommendation ..... | 646,600,000   |

PROGRAM DESCRIPTION

This account funds the native American housing block grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 [NAHASDA]. This program provides an allocation of funds on a formula basis to Indian tribes and their tribally designated housing entities to help them address the housing needs within their communities. Under this block grant, Indian tribes will use performance measures and benchmarks that are consistent with the national goals of the program, but can base these measures on the needs and priorities established in their own Indian housing plan.

COMMITTEE RECOMMENDATION

The Committee recommends \$646,600,000 for the Native American Housing Block Grant, of which \$2,000,000 is set aside for a credit subsidy for the section 601 Loan Guarantee Program. The Committee recommendation is the same as the budget request and \$1,818,000 more than the fiscal year 2003 enacted level.

The Committee continues to believe that training and technical assistance in support of NAHASDA should be shared, with \$2,200,000 to be administered by the National American Indian Housing Council [NAIHC] and \$4,000,000 by HUD in support of the inspection of Indian housing units, contract expertise, training and technical assistance in the training, oversight, and management of Indian housing and tenant-based assistance.

As discussed last year, the Committee notes that there is not a requirement that qualified Indian and Alaska Native owned construction companies be given priority consideration in construction



of Indian housing. In many Indian and Native communities, the unemployment rate exceeds 80 percent, and housing contracts would provide much needed employment and training opportunities for Native Americans living on reservations and in Alaska Native villages. As with last year, the Committee directs the agency and its grantees to give priority consideration to qualified Native owned firms in the design and construction of Indian housing. The Committee also directs HUD to report on the use of Native owned firms under this account by April 15, 2004.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT  
(INCLUDING TRANSFER OF FUNDS)

|                                |             |
|--------------------------------|-------------|
| Appropriations, 2003 .....     | \$5,266,000 |
| Budget estimate, 2004 .....    | 1,000,000   |
| Committee recommendation ..... | 5,300,000   |

PROGRAM DESCRIPTION

This program provides access to private financing for Indian families, Indian tribes and their tribally designated housing entities who otherwise could not acquire housing financing because of the unique status of Indian trust land. As required by the Federal Credit Reform Act of 1990, this account includes the subsidy costs associated with the loan guarantees authorized under this program.

COMMITTEE RECOMMENDATION

The Committee recommends \$5,300,000 in program subsidies to support a loan guarantee level of \$197,243,000. This is \$34,000 more than the fiscal year 2003 enacted level and \$4,300,000 more than the budget request.

NATIVE HAWAIIAN HOUSING BLOCK GRANT

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | (1)          |
| Budget estimate, 2004 .....    | \$10,000,000 |
| Committee recommendation ..... | 0            |

<sup>1</sup>In fiscal year 2003, funding for this program was provided under the Community Development Fund.

The Hawaiian Homelands Homeownership Act of 2000 creates the Native Hawaiian Housing Block Grant program to provide grants to the State of Hawaii's Department of Hawaiian Home Lands [DHHL] for housing and housing related assistance to develop, maintain and operate affordable housing for eligible low-income Native Hawaiian families.

The Committee rejects the administration proposal to fund this program as an independent account and continues to recommend funding within the Community Development Fund.

NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND  
(INCLUDING TRANSFER OF FUNDS)

|                                |             |
|--------------------------------|-------------|
| Appropriations, 2003 .....     | \$1,028,000 |
| Budget estimate, 2004 .....    | 1,000,000   |
| Committee recommendation ..... | 1,035,000   |

PROGRAM DESCRIPTION

This program provides access to private financing for Native Hawaiians who otherwise could not acquire housing financing because of the unique status of the Hawaiian Home Lands as trust land. As required by the Federal Credit Reform Act of 1990, this account includes the subsidy costs associated with the loan guarantees authorized under this program.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$1,035,000 in program subsidies to support a loan guarantee level of \$39,712,000. This is \$7,000 more than the fiscal year 2003 enacted level and \$35,000 more than the budget request.

COMMUNITY PLANNING AND DEVELOPMENT

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS [HOPWA]

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$290,102,000 |
| Budget estimate, 2004 .....    | 297,000,000   |
| Committee recommendation ..... | 291,000,000   |

PROGRAM DESCRIPTION

The Housing Opportunities for Persons with AIDS [HOPWA] Program is designed to provide States and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons living with HIV/AIDS and their families.

Statutorily, 90 percent of appropriated funds are distributed by formula to qualifying States and metropolitan areas on the basis of the number and incidence of AIDS cases reported to Centers for Disease Control and Prevention by March 31 of the year preceding the appropriation year. The remaining 10 percent of funds are distributed through a national competition.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$291,000,000 for this program, \$898,000 above the fiscal year 2003 enacted level and \$6,000,000 less than the budget request.

The Committee also requires HUD to allocate these funds in a manner that preserves existing HOPWA programs to the extent those programs are determined to be meeting the needs of persons with AIDS. The Committee includes legislation that allocates the formula funding in a manner consistent with fiscal year 2003 allocations.

OFFICE OF RURAL HOUSING AND ECONOMIC DEVELOPMENT

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$25,000,000 |
| Budget estimate, 2004 .....    | 0            |
| Committee recommendation ..... | 25,000,000   |

PROGRAM DESCRIPTION

The Office of Rural Housing and Economic Development was established to ensure that the Department has a comprehensive ap-

proach to rural housing and rural economic development issues. The account includes funding for technical assistance and capacity building in rural, underserved areas, and grants for Indian tribes, State housing finance agencies, State economic development agencies, rural nonprofits and rural community development corporations to pursue strategies designed to meet rural housing and economic development needs.

COMMITTEE RECOMMENDATION

The Committee recommends \$25,000,000 for the Office of Rural Housing and Economic Development for fiscal year 2004 to support housing and economic development in rural communities as defined by USDA and HUD. This funding level is the same as the fiscal year 2003 level and \$25,000,000 above the budget request.

The Committee does not accept the administration's recommendation to eliminate funding for this program. The Committee believes that the Office of Rural Housing and Economic Development plays an important role in HUD's community development activities. Twenty-five percent of nonmetropolitan homes are renter-occupied, and the high cost of housing burdens those in rural areas, as it does in urban communities. Furthermore, the Committee notes that the programs of the Office of Rural Housing and Economic Development are sufficiently different from the housing programs administered by the Department of Agriculture to warrant separate appropriations.

HUD is directed to administer this program according to existing regulatory requirements. It is expected that any changes to the program shall be made subject to notice and comment rulemaking.

EMPOWERMENT ZONES/ENTERPRISE COMMUNITIES

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$29,805,000 |
| Budget estimate, 2004 .....    | 0            |
| Committee recommendation ..... | 0            |

PROGRAM DESCRIPTION

The Empowerment Zones/Enterprise Communities [EZ/EC] program was authorized under the Omnibus Budget Reconciliation Act of 1993. The Taxpayer Relief Act of 1997 later authorized two additional Round I urban EZs and 15 Round II urban EZs. This inter-agency initiative is designed to create self-sustaining, long-term development in distressed urban and rural areas throughout the Nation. The program utilizes a combination of Federal tax incentives and flexible grant funds to reinvigorate communities that have been in decline for decades.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$0 for this program, \$29,805,000 less than the fiscal year 2003 enacted level and the same as the budget request. As with the previous Administration, the Committee believes that this program was intended to be funded as a mandatory program and not as an obligation of this bill. The Committee expects the Senate Finance Committee to fund this program as mandatory. Moreover, the Committee remains concerned over accountability in this program and notes that the HUD

Inspector General has been critical about how many communities have implemented this program and used EZ funds.

COMMUNITY DEVELOPMENT FUND  
(INCLUDING TRANSFERS OF FUNDS)

|                                |                 |
|--------------------------------|-----------------|
| Appropriations, 2003 .....     | \$4,904,909,000 |
| Budget estimate, 2004 .....    | 4,716,000,000   |
| Committee recommendation ..... | 4,950,000,000   |

PROGRAM DESCRIPTION

Under title I of the Housing and Community Development Act of 1974, as amended, the Department is authorized to award block grants to units of general local government and States for the funding of local community development programs. A wide range of physical, economic, and social development activities are eligible with spending priorities determined at the local level, but the law enumerates general objectives which the block grants are designed to fulfill, including adequate housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income. Grant recipients are required to use at least 70 percent of their block grant funds for activities that benefit low- and moderate-income persons.

Funds are distributed to eligible recipients for community development purposes utilizing the higher of two objective formulas, one of which gives somewhat greater weight to the age of housing stock. Seventy percent of appropriated funds are distributed to entitlement communities and 30 percent are distributed to nonentitlement communities after deducting designated amounts for special purpose grants and Indian tribes.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,950,000,000 for the Community Development Fund in fiscal year 2004. This is an increase of \$234,000,000 above the budget request for fiscal year 2004 and \$45,091,000 above the fiscal year 2003 enacted level.

The Committee has included \$4,545,700,000 for community development block grants [CDBG]. Set-asides under this account include \$72,500,000 for native Americans; \$3,300,000 for the Housing Assistance Council; \$2,600,000 for the National American Indian Housing Council; \$12,000,000 for the Self Help Homeownership Opportunity Program; \$35,500,000 for capacity building of which \$31,500,000 is for Capacity Building for Community Development and Affordable Housing for LISC and the Enterprise Foundation; and \$52,500,000 for section 107 grants, including \$4,000,000 to support Alaska Native-Serving Institutions and Native Hawaiian-Serving Institutions; \$3,000,000 for competitive grants awarded to Tribal Colleges and Universities to build, expand, renovate, and equip their facilities; \$3,000,000 for community development work study, \$11,000,000 for historically black colleges and universities, of which up to \$2,000,000 is for technical assistance, \$7,000,000 for insular areas; \$4,000,000 for Community Outreach Partnerships, and \$7,500,000 for Hispanic-serving institutions. The Committee

includes \$10,000,000 for assistance authorized under the Hawaiian Homelands Homeownership Act of 2000 under section 107. The administration proposed to fund this program in a separate account.

The Committee also includes \$60,000,000 for the Youthbuild program of which \$10,000,000 is to develop programs in underserved and rural areas. The Committee remains concerned that this program has not developed a significant base of support for funding outside the Federal funds made available through this account.

The Committee also funds the Economic Development Initiative at \$140,000,000 and the Neighborhood Initiatives program at \$21,000,000.

The Economic Development Initiatives are as follows:

1. \$3,000,000 for the City of Tuscaloosa for the 21st Avenue Urban Renewal Project in Tuscaloosa, Alabama;

2. \$400,000 for the University of South Alabama for improvements related to the Mitchell College of Business Library in Mobile, Alabama;

3. \$75,000 for the Elmore County Economic Development Authority for business and economic development activities in Elmore County, Alabama;

4. \$100,000 for the City of Millport, Alabama for construction costs associated with the Regional Cultural Center;

5. \$200,000 for the Tuscaloosa County Commission for Community Development in Tuscaloosa County, Alabama;

6. \$100,000 for the Montgomery Boys and Girls Club, Alabama for facility improvements;

7. \$250,000 for the City of Fairhope, Alabama for construction of the Fairhope Library;

8. \$100,000 for the Huntsville/ Madison County Convention and Visitor's Bureau for furnishing of the Visitor's Center in Huntsville, Alabama;

9. \$425,000 for the Crenshaw County Economic/ Industrial Development Authority for industrial site preparation in Crenshaw County, Alabama;

10. \$100,000 for the Rockford Council of Arts and Crafts for renovation of the Old Rockford School in Rockford, Alabama;

11. \$150,000 for the City of Eufaula, Alabama for the Main Street Revitalization project;

12. \$100,000 for the City of Northport, Alabama for community development;

13. \$1,000,000 for the Anchorage Museum, Anchorage, Alaska for facilities expansion;

14. \$30,000 for the City of Palmer, Alaska for public facility improvements;

15. \$200,000 for the City of North Pole, Alaska for recreation improvements;

16. \$150,000 for Juneau, Alaska for port facilities;

17. \$500,000 for the Bering Straits Native Corporation for the Cape Nome quarry upgrade, Nome, Alaska;

18. \$1,000,000 for the Tongass Coast Aquarium, Ketchikan, Alaska for improvements;

19. \$750,000 for the J.P. Jones Community Development Center, Fairbanks, Alaska for improvements;

20. \$400,000 for Love, Inc., Fairbanks, Alaska for a social service facility;
21. \$1,000,000 for Cordova, Alaska costs associated with the construction of a community center;
22. \$750,000 for the Kenai Peninsula Borough, Kenai, Alaska for recreation facilities;
23. \$500,000 for the City of Sitka, Alaska for the Sawmill Cove jobs center;
24. \$500,000 for the Valdez Senior Center, Valdez Alaska for improvements;
25. \$150,000 for the Anchorage Economic Development Corporation, Anchorage, Alaska for a global logistics center;
26. \$250,000 for the Alaska Aviation Heritage Museum, Anchorage for improvements;
27. \$500,000 for the Central Arkansas Resource Conservation and Development Council in Helena, Arkansas for the Cherry Street Historic Preservation Project;
28. \$250,000 for the City of Conway, Arkansas for downtown revitalization;
29. \$250,000 for the City of Fort Smith, Arkansas for streetscapes improvements to Garrison Avenue;
30. \$250,000 for the Studio for the Arts in Pocahontas, Arkansas for construction of a theatre;
31. \$1,000,000 for the City of Inglewood, California for the construction of a senior center;
32. \$250,000 for the City of San Francisco, California for the Old Mint redevelopment project;
33. \$750,000 for the City of San Diego, California for the construction of low income housing;
34. \$250,000 for the Sacramento Housing and Development Agency, California for the construction of new low income housing;
35. \$250,000 for the City of East Palo Alto, California to build a new town civic center;
36. \$1,000,000 for Fort Westernaire, Golden, Colorado for the expansion of the Westernaire museum;
37. \$200,000 for YouthBiz, Inc., Denver, Colorado for construction needs related to an inner-city youth business training program;
38. \$1,000,000 for Colorado UpLift, Denver, Colorado for construction needs related to a program benefiting "at-risk" inner-city youth in Denver;
39. \$1,000,000 for the Denver Art Museum, Colorado for continued design and development of the Center for American Indian Art;
40. \$200,000 for the City of Arvada, Colorado for the design phase of the community's arts and humanities center;
41. \$500,000 for Mercy Housing, Inc., Denver, Colorado for the development of affordable housing in Durango, Colorado;
42. \$500,000 for the City of Hartford, Connecticut for the Hartford Home Ownership Initiative;
43. \$250,000 for the Southside Institutions Neighborhood Alliance, Hartford, Connecticut for rehabilitation to dilapidated housing stock;

44. \$500,000 for Sacred Heart Village, Inc., Wilmington, Delaware to complete the construction of an affordable housing facility for seniors;
45. \$500,000 for the Wilmington Senior Center, Wilmington, Delaware for renovations for the Lafayette Court senior apartments;
46. \$250,000 for the Greater Washington Urban League, in Washington, DC for renovations to their new headquarters;
47. \$500,000 for Miami Dade County, Florida for the construction of the Miami Dade County Performing Arts Center;
48. \$500,000 for Volusia County, Florida for the construction of a community performing arts center;
49. \$500,000 for the Boys and Girls Club of Hawaii, Nanakuli, Hawaii for the planning and construction of a new facility;
50. \$500,000 for the Oahu Continuum of Care, Wainae, Hawaii for the construction and renovation of permanent supportive housing;
51. \$500,000 for the Hawaii Nature Center, Wailuku, Hawaii for the Maui Renovation Project;
52. \$500,000 for the County of Kauai, Hawaii to purchase a building for a technology training facility;
53. \$250,000 for the Kapahulu Senior Center, Honolulu, Hawaii for improvements and renovations to the senior center;
54. \$900,000 for the Clearwater Economic Development Association, Idaho, to continue implementation of a Lewis and Clark Bicentennial commemoration plan;
55. \$800,000 for Boise State University, Idaho, for construction on an Environmental Science and Economic Development Building;
56. \$900,000 for the City of Salmon, Idaho, for expansion of the Sacajawea Cultural and Arts Center expansion;
57. \$900,000 for the University of Idaho, for construction related to a Performance and Education Facility;
58. \$500,000 for Access Living, Chicago, Illinois for the construction of a new community service facility;
59. \$350,000 for Children's Advocacy Center, Chicago, Illinois for costs associated with expansion;
60. \$300,000 for the City of Des Plaines, Illinois for infrastructure improvements;
61. \$300,000 for the Chicago Department of Cultural Affairs, Illinois for restoration of the Chicago Cultural Center Domes;
62. \$250,000 for the City of East Moline, Illinois for necessary upgrades to infrastructure for economic development purposes, including the Quarter project and revitalization of the central business district;
63. \$500,000 for improvements to the Field Museum, Chicago, Illinois;
64. \$250,000 for Manteno Township, Manteno, Illinois for economic redevelopment activities;
65. \$250,000 for the City of Springfield, Illinois for infrastructure improvements to support economic development;
66. \$800,000 for the City of Fort Wayne, Indiana for the expansion of the Northeast Indiana Innovation Center;
67. \$200,000 for the Indiana Association of Cities and Towns, Indianapolis, Indiana for downtown revitalization;

68. \$200,000 for the City of Anderson, Indiana for the Anderson Business Center project;
69. \$350,000 for the Delaware County Commissioners, City of Muncie, Indiana for building improvements to the Fairgrounds facilities;
70. \$300,000 for the City of Council Bluffs, Iowa for the 23rd Avenue Housing Project;
71. \$250,000 for the Scott County Housing Council, Davenport, Iowa for the construction and rehabilitation of housing;
72. \$200,000 for the Iowa Department of Economic Development for the enhancement of regional economic development capabilities;
73. \$250,000 for the Mid America Housing Partnership in Cedar Rapids, Iowa for the housing trust fund;
74. \$100,000 for the Iowa State Fair Board in Des Moines, Iowa for a statewide awareness and education/exhibit;
75. \$280,000 for the City of Waterloo, Iowa for the John Deere brownfield and bio-based incubator project;
76. \$300,000 for the Witwer Senior Center, Cedar Rapids, Iowa for facility expansion and renovation;
77. \$600,000 for the City of Clinton, Iowa for the Liberty Square brownfields redevelopment project;
78. \$2,000,000 for Catholic Housing of Wyandotte County, St. Peter, Kansas for the development of affordable housing;
79. \$1,000,000 for the El Zocalo Hispanic Community Center, Wichita, Kansas for construction costs;
80. \$500,000 for Railroad Heritage, Inc. for construction costs associated with the Great Overland Station Renovation and Restoration Project;
81. \$3,000,000 for the H.L. Neblett Center in Owensboro/Daviess County, Kentucky for the construction of a new facility;
82. \$500,000 for the Crittenden County Economic Development Corporation in Marion, Kentucky, for the Marion/Crittenden County Technology-Economic Development Training Center;
83. \$100,000 for Harrison County, Kentucky for improvements to the Harrison County Courthouse;
84. \$400,000 for Hopkinsville, Kentucky for construction related to the Hopkinsville-Christian County Conference and Convention Center;
85. \$500,000 for the Louisville Science Center, Kentucky for renovation and construction related to the Science Education Wing;
86. \$500,000 for PACE Louisiana, New Orleans, Louisiana for the renovation of a building for a senior adult day center;
87. \$750,000 for the State of Louisiana for the Poverty Point restoration project;
88. \$250,000 to the Biomedical Research Foundation for the InterTech Science Park;
89. \$100,000 for the Comprehensive Central City Initiative of New Orleans, Inc., Louisiana for neighborhood revitalization;
90. \$500,000 for the City of Alexandria, Louisiana for redevelopment of the riverfront area;
91. \$200,000 for the City of Opelousas, Louisiana for the redevelopment of the historic downtown district;
92. \$100,000 for the City of Bogalusa, Louisiana for recreation improvements;



93. \$100,000 for facility improvements at the American Rose Center in Shreveport, Louisiana;
94. \$500,000 for the City of Caribou, Maine to improve and repair gymnasium and related facilities in the Armory building;
95. \$125,000 for the Center Theater for the Performing Arts in Dover-Foxcroft, Maine to improve and repair the Center Theater;
96. \$125,000 for the Town of Fort Fairfield, Maine to improve and repair the Armory facility;
97. \$220,000 for the University of Maine (Jonesboro and Orono), Blueberry Hill Farm to renovate the blueberry research facility;
98. \$200,000 for the Central Maine Technical College-Western Maine University and Technical Center, South Paris, Maine to assist in development of technical college center;
99. \$250,000 for the City of Bangor, Maine for further development of the Penobscot Riverfront Park;
100. \$250,000 for the City of Brewer, Maine to assist the city's shoreline stabilization project;
101. \$120,000 for Sagadahoc County, Maine to repair granite steps at the Sagadahoc County Courthouse;
102. \$210,000 for Town of Thomaston, Maine to fund construction of sidewalk in business district;
103. \$600,000 for the City of Baltimore, Maryland for the Main Streets Initiative project;
104. \$100,000 for the Baltimore Child Abuse Center in Baltimore, Maryland for building renovations;
105. \$500,000 for the B&O Railroad Museum in Baltimore, Maryland for building renovations;
106. \$250,000 for the Great Blacks in Wax Museum in Baltimore, Maryland for the Museum Expansion Project;
107. \$250,000 for Harford County, Maryland for the Havre de Grace Youth & Senior Center;
108. \$500,000 for Howard County, Maryland for Revitalization of the Route 1 Corridor;
109. \$750,000 for Montgomery County, Maryland for pedestrian linkages in Silver Spring;
110. \$300,000 for the City of Gaithersburg, Maryland for the Gaithersburg Youth Center;
111. \$650,000 for Prince Georges' County, Maryland to develop an African American Cultural & Community Center in the Gateway Arts District;
112. \$300,000 for Washington County, Maryland for the Smithsburg Library;
113. \$260,000 for the City of Laurel, Maryland for improvements to Route 1;
114. \$65,000 for the Woodlawn Community Education & Development Association in Baltimore County, Maryland for the Woodlawn Community Auditorium Project;
115. \$250,000 for the City of District Heights, Maryland for facade and building renovations in the city's commercial area;
116. \$1,500,000 for the Girl Scouts of the USA for youth development initiatives in public housing;
117. \$250,000 for Main South Community Development Corporation, Worcester, Massachusetts for the Gardner-Kilby Hammond Neighborhood Revitalization Project;

118. \$250,000 for the City of Boston, Massachusetts for the City of Boston Affordable Housing Environmental Remediation Project;
119. \$1,000,000 for the State of Michigan for costs associated with the relocation of the A.E. Seaman Mineral Museum;
120. \$250,000 for the City of Detroit, Michigan for the Detroit Riverfront revitalization project;
121. \$250,000 for the FOCUS:HOPE Institute in Detroit, Michigan for facilities renovation;
122. \$500,000 for the City of Saginaw, Michigan for the South Washington Street Improvement Initiative;
123. \$500,000 for the Mexicantown Community Development Corporation, Detroit, Michigan for the construction of a welcome center;
124. \$225,000 for the City Opera House Heritage Association, Traverse City, Michigan for costs associated with restoration;
125. \$250,000 for the City of Parchment, Michigan for the Parchment Brownfield Redevelopment Project;
126. \$187,500 for the City of St. Paul, Minnesota for rehabilitation needs at the Ames Lake Neighborhood/Phalen Place Apartments;
127. \$187,500 for the Shelter House in Willmar, Minnesota for a new building project;
128. \$187,500 for Heartland Corn Products in Winthrop, Minnesota for the construction of a new facility;
129. \$187,500 for the City of Roseau, Minnesota for the rehabilitation of damaged housing;
130. \$500,000 for the City of Tchula, for the development of the Mississippi Municipal Complex;
131. \$500,000 for the City of Oxford, Mississippi for the City of Oxford Innovation and Outreach Center;
132. \$1,000,000 for the City of Meridian, Mississippi for the rehabilitation of the Riley Education and Performing Arts Center;
133. \$1,000,000 for Mississippi State University for the renovation of the Lloyd-Ricks Building;
134. \$250,000 for the City of Richton, Mississippi for repairs associated with the City of Richton's Municipal Complex;
135. \$500,000 for the City of Brookhaven, Mississippi for the rehabilitation of the Lincoln County and City of Brookhaven's Courthouse;
136. \$500,000 for the City of Pearl, Mississippi for the renovation of the City of Pearl's Community Center;
137. \$500,000 for the City of Holly Springs, Mississippi for the North Memphis Street District Redevelopment and Revitalization;
138. \$250,000 for John C. Stennis Institute of Government, Mississippi State, Mississippi, for the Capacity Development Initiative;
139. \$500,000 for the Tredegar National Civil War Center Foundation for planning and construction of the Tredegar National Civil War Center in Virginia;
140. \$250,000 for the Stars and Stripes Museum/Library Association in Stoddard County, Missouri for archiving facility upgrades and equipment;
141. \$500,000 for the Negro Leagues Baseball Museum in Kansas City, Missouri for renovations to the Buck O'Neil Research and Education Center;

142. \$90,000 for the Capitol City Area Council for Special Services in Cole County, Missouri for costs associated with the construction of the Low Income Family Program expansion;

143. \$600,000 for the City of Maryville, Missouri for neighborhood revitalization;

144. \$1,000,000 for the Metropolitan Parks & Recreation District in St. Louis, Missouri for feasibility, engineering, and design of the Choteau Lake and Greenway Project;

145. \$250,000 for the Mid-Missouri Regional Planning Commission, Ashland, Missouri for construction costs related to the Life Sciences Technology Incubator;

146. \$500,000 for the City of Raytown, Missouri for downtown revitalization;

147. \$500,000 for the Urban League of Kansas City, Missouri for costs associated with construction;

148. \$500,000 for Grand Center, Inc. in St. Louis, Missouri for construction of a multi-purpose facility for the Charmaine Chapman Community Center;

149. \$450,000 for the City of Clarksville, Missouri for costs associated with construction of the Riverfront Development Project;

150. \$100,000 for the Eugene Field House Foundation in St. Louis, Missouri for the Eugene Field House restoration;

151. \$500,000 for the Friends of the RB Project, Inc. in Stockton, Missouri for costs associated with construction of the Friends of RB Stockton Lake Community Project;

152. \$1,000,000 for the University of Missouri-Kansas City for construction of the Cardiovascular Proteomics Center;

153. \$750,000 for the National Children's Cancer Society in St. Louis, Missouri for construction;

154. \$500,000 for the Daly Mansion Preservation Trust, Hamilton, Montana for the Marcus Daly Mansion Renovation Project;

155. \$500,000 for the Story Mansion, Bozeman, Montana for historical renovations and improvements;

156. \$650,000 for the Deaconess Billings Clinic, Billings, Montana for additions to the research division;

157. \$500,000 for St. Vincent's Foundation, Billings, Montana for construction of a senior citizens facility;

158. \$500,000 for the Big Sky Economic Development Authority, Billings, Montana for economic development outreach;

159. \$150,000 for the Great Falls Development Authority, Great Falls, Montana for economic development outreach;

160. \$500,000 for the Southwest Boys and Girls Club, Bozeman, Montana for construction of a new facility;

161. \$275,000 for the Northern Cheyenne Boys and Girls Club, Lame Deer, Montana for construction costs;

162. \$225,000 for Missoula Aging Services, Missoula, Montana for expansions and renovations;

163. \$250,000 for the Yellowstone Boys and Girls Ranch Billings, Montana for construction costs;

164. \$350,000 for the Bozeman Library, Bozeman, Montana for renovations and infrastructure;

165. \$250,000 for the City of Omaha, Nebraska for the North 24th Street Corridor Revitalization project;

166. \$375,000 for the Omaha Performing Arts Society in Omaha, Nebraska for construction costs associated with the Omaha Performing Arts Center;

167. \$625,000 for the North Omaha Housing Initiative in Omaha, Nebraska for the development of affordable housing;

168. \$750,000 for the City of Nashua, New Hampshire to renovate and expand the Nashua Senior Center;

169. \$500,000 for the City of Nashua, New Hampshire for the restoration of Mines Falls Park;

170. \$700,000 for the Greater Manchester YMCA, Manchester, New Hampshire for renovation of facilities;

171. \$550,000 for City of Portsmouth, New Hampshire to assist in the creation of a safe pedestrian link (Portsmouth Piscataqua Riverwalk) between scenic and historic destinations and New Hampshire's only working deep-water seaport;

172. \$100,000 for the Town of Troy, New Hampshire for the Troy Economic Development Initiative;

173. \$500,000 for the City of Claremont, New Hampshire, for the Claremont Economic Development Initiative/Renovation of Historic Mills;

174. \$400,000 for the City of Concord, New Hampshire for the renovation of Penacook Mills;

175. \$1,000,000 for the State of New Jersey for construction costs associated with the South Jersey Rural Economic Development Corporation;

176. \$1,000,000 for the New Jersey Community Development Corporation in Paterson, New Jersey for construction of a Transportation Opportunity Center;

177. \$500,000 for the Boys and Girls Club of Santa Fe, New Mexico to construct a new facility;

178. \$500,000 to the City of Albuquerque, New Mexico, to complete construction and renovation of buildings occupied by the Cuidando los Ninos program for homeless children and families (the John Marshal Renovation Project, Phase II, Cuidando los Ninos site);

179. \$700,000 for the Hobbs Industrial Air Park redevelopment project in Hobbs, New Mexico;

180. \$640,000 for the Village of Tijeras, New Mexico for construction of an addition to the Tijeras Village Hall;

181. \$360,000 for the Town of Taos, New Mexico, for the DreamTree Project Transitional Living Program Apartments to serve homeless, abused, and neglected youth;

182. \$1,600,000 for the Town of Taos, New Mexico, to complete construction and lining of the Paseo del Canon Drainage Channel and related safety fencing;

183. \$200,000 for Doña Ana County, New Mexico, for the Veterans Memorial Wall to honor war veterans;

184. \$250,000 for the Sephardic Community Center, Brooklyn, New York for a building addition for seniors, adults, teenagers and children;

185. \$250,000 for the Broome-Tioga Workforce Development System in New York to create a business incubator;

186. \$250,000 for Schines Theatre, Auburn, New York for restoration of the facility;

187. \$250,000 for the Foothills Performing Arts Center, Inc., Oneonta, New York for construction of a new facility;
188. \$250,000 for the Nepperhan Valley Technology Center, Yonkers, New York to develop a biotechnology incubator;
189. \$250,000 for the Metropolitan Development Association of Central New York in Syracuse, New York for VISION 2010;
190. \$250,000 for Southern Tier Sports and Recreation Center, Inc. in Binghamton, New York for development of a Community Center Complex;
191. \$350,000 for the City of North Las Vegas, Nevada for a neighborhood beautification project;
192. \$350,000 for the City of Reno, Nevada for the construction of the Reno Homeless Resource Center;
193. \$350,000 for the City of Las Vegas, Nevada for improvements to a historic building;
194. \$350,000 for Community Chest, Inc., Virginia City, Nevada for construction of a youth and community resource center;
195. \$350,000 for the City of Reno through the Hispanic Chamber of Commerce, Nevada for streetscaping improvements;
196. \$200,000 for WestCare Foundation in Las Vegas, Nevada for renovations of facilities;
197. \$50,000 for the YMCA of Southern Nevada in Las Vegas for facility renovations;
198. \$1,000,000 for the V.I.C.T.M. Family Center in Washoe County, Nevada for the construction of a facility for multi-purpose social services referral and victim counseling;
199. \$500,000 for Transylvania County, North Carolina for construction of a library;
200. \$300,000 for Bennett College, Greensboro, North Carolina for a community revitalization project;
201. \$100,000 for Mayland Community College, Spruce Pine, North Carolina for the Hampshire Mill Building Reuse and Market Study;
202. \$100,000 for the Graveyard of the Atlantic Museum, Hatteras, North Carolina to complete construction;
203. \$600,000 for the City of Rugby, North Dakota to complete information technology and energy projects;
204. \$400,000 for Lewis and Clark CommunityWorks, Bismark, North Dakota for the Mandan Library Square project;
205. \$500,000 for the Northwest Venture Communities Inc., Minot, North Dakota for the construction of the Northwest Career and Technology Center;
206. \$500,000 for Three Affiliated Tribes Tourism Department, New Town, North Dakota for a cultural interpretive center;
207. \$500,000 for Sitting Bull College, Fort Yates, North Dakota for a day care center;
208. \$700,000 for Franklin County Metro Parks, Franklin County, Ohio for the purchase of land in the Darby Creek Watershed;
209. \$1,000,000 for the City of Dayton, Ohio for the development of structures in the W. Third Street Historic District;
210. \$500,000 for the Toledo-Lucas County Port Authority for the Northwest Ohio Brownfield Restoration Initiative;

211. \$300,000 for the Cleveland Advanced Manufacturing Program [CAMP], Ohio to renovate and continue construction of the Cleveland Manufacturing Technology Complex [CMTC];

212. \$450,000 for the Johnny Appleseed Heritage Center, Inc. in Ashland County, Ohio for construction of facilities;

213. \$800,000 to the Dayton Development Coalition for the development of a commercial and industrial site near the airport in Dayton, Ohio;

214. \$250,000 to the Village of Cedarville, Ohio for the construction of a library;

215. \$1,000,000 for the Portland Development Commission, Portland, Oregon for the South Waterfront Greenway Project;

216. \$400,000 for the Portland Development Commission, Portland, Oregon for affordable housing in North Macadam Central District;

217. \$200,000 for the City of Portland, Oregon for the Central City Eastside Streetcar project;

218. \$100,000 for the City of Astoria, Oregon for restoration to the Astoria Column Cultural Heritage Center;

219. \$50,000 for the Umatilla Community Recreation Center, Oregon for construction;

220. \$100,000 for Universal Community Homes in Philadelphia, Pennsylvania, to continue the conversion of more than 500 parcels of land into for-sale units to low- and moderate-income families;

221. \$100,000 to the Erie Municipal Airport Authority in Erie, Pennsylvania, for the redevelopment of the recently acquired, former Fenestra window manufacturing facility to serve the needs of major air express carriers as an on-airport integrated service center;

222. \$300,000 to the Community Initiatives Development Corporation, Our City Reading, in Reading, Pennsylvania, for the rehabilitation of abandoned houses and parks to provide quality home ownership opportunities to low-income families;

223. \$75,000 to the City of Philadelphia, Pennsylvania, for the rehabilitation of the Blue Horizon Theater, which will serve as an anchor in the Entertainment District;

224. \$50,000 for the City of Erie, Pennsylvania, for site preparation and redevelopment of the vacant and blighted Koehler Brewery Building;

225. \$150,000 for the Borough of Lehigh, Pennsylvania, to establish a Market Towns Community Technology Center, which will serve as a community technology center to support the Corridor Market Towns regional revitalization initiative;

226. \$125,000 for Downtown Chambersburg, Inc., in Chambersburg, Pennsylvania, to construct the Capitol Theatre Center and preserve the 1927 Capitol Theatre as part of a regional arts initiative;

227. \$100,000 for the Chester Economic Development Authority, in Chester, Pennsylvania, for the redevelopment of the blighted and vacant waterfront district, including the former PECO power station into office space;

228. \$75,000 for the Warner Theater Preservation Trust, in Erie, Pennsylvania, to restore and expand the historic Warner Theater,

which will serve as the centerpiece of a regional performing arts venue;

229. \$100,000 for Mt. Airy, USA, in Philadelphia, Pennsylvania, to continue a redevelopment and urban renewal initiative as part of neighborhood housing preservation strategy aimed at revitalizing the community's main commercial corridor, Germantown Avenue;

230. \$100,000 for the City of Bradford, Pennsylvania, to assist with the rehabilitation of the old City Hall Building as the cornerstone of the city's urban redevelopment plan;

231. \$250,000 for the Greater Wilkes-Barre Chamber of Business and Industry, in Wilkes-Barre, Pennsylvania, for the acquisition and redevelopment of the historic Irem Temple, which will be converted into a cultural center;

232. \$75,000 for Nueva Esperanza, in Philadelphia, Pennsylvania, to create a Latino Corridor, as part of an inner city development initiative to transform neighborhood vacant lots and abandoned homes into a vibrant commercial corridor;

233. \$150,000 for Jefferson Square Community Development Corporation, in Philadelphia, Pennsylvania, for a home ownership development initiative aimed at rejuvenating the inner-city through blight removal and construction of modern, low-income homes;

234. \$75,000 for Enterprise Center CDC, in Philadelphia, Pennsylvania, for the design and development of Enterprise Heights, which will contain 50,000 square feet of new and rehabilitated office and retail space;

235. \$100,000 for the Urban Redevelopment Authority, in Pittsburgh, Pennsylvania, to revitalize the Centre Avenue Corridor through acquisition and redevelopment of vacant structures and lots in the community;

236. \$100,000 for the Allegheny County Department of Economic Development in Allegheny County, Pennsylvania, for the redevelopment of the former U.S. Steel Carrie Furnace site, as part of an effort to stabilize the community through the integration of the former industrial area, the adjacent neighborhoods and the riverfront;

237. \$200,000 for the Allegheny County Department of Economic Development for the construction of an Industrial Park in McKeesport, Pennsylvania, including the rehabilitation of a former USX Tube Works site utilizing high performance building techniques;

238. \$75,000 for the City of Hazleton, Pennsylvania, for the Pine Street Neighborhood Development Project, including the acquisition and demolition of a blighted warehouse, as well as construction of affordable housing and an office building to house area non-profit organizations, which will offer social services to city residents;

239. \$75,000 for the South Philadelphia Area Revitalization Corporation, in Philadelphia, Pennsylvania, for the construction of low- and moderate-income housing;

240. \$100,000 for the Greater Johnstown Regional Partnership, in Johnstown, Pennsylvania to construct a regional technology center as part of a community revitalization initiative;

241. \$75,000 for the Columbia Alliance for Economic Growth, in Bloomsburg, Pennsylvania, for technological infrastructure improvements for the Bloomsburg Regional Technology Center;

242. \$300,000 for the City of Lancaster, Pennsylvania for the development of an entertainment/retail complex;

243. \$75,000 for the Historic Preservation Trust of Lancaster County, Pennsylvania, for rehabilitation of facilities at the Thaddeus Stevens and Lydia Hamilton Smith historic site;

244. \$200,000 to the City of Philadelphia, Pennsylvania, to support the Neighborhood Transformation Initiative, which will demolish abandoned homes as well as revitalize the Philadelphia region;

245. \$125,000 to the Ogontz Avenue Revitalization Corporation in Philadelphia, Pennsylvania, to assist with substantial rehabilitation of severely deteriorated vacant properties that will be developed as a part of the West Oak Lane community development rebuilding initiative;

246. \$75,000 to the National Trust for Historic Gettysburg in Gettysburg, Pennsylvania, for the restoration of the historic Majestic Theater;

247. \$100,000 to the Philadelphia Chinatown Development Corporation in Philadelphia, Pennsylvania, for the construction of a Chinatown Community Center;

248. \$75,000 to the Invest Erie Community Development Corporation in Erie, Pennsylvania, for the acquisition and development of property to establish a Parade Street Plaza;

249. \$700,000 for the Salvation Army of Rhode Island, Providence, Rhode Island for construction of a day care center;

250. \$130,000 for the City of North Providence, Rhode Island for construction of a senior center;

251. \$300,000 for the YMCA of Greater Providence, Rhode Island for the Village of Promise project;

252. \$300,000 for the Sexual Assault and Trauma Center of Rhode Island, Providence, Rhode Island to purchase a building for the Children's Advocacy Center;

253. \$300,000 for the Providence Public Library, Rhode Island for renovations;

254. \$450,000 for the Johnston Senior Citizens Center, Johnston, Rhode Island for the construction of a new senior center;

255. \$170,000 for AS220 and Perishable Theatre, Providence, Rhode Island for building refurbishment;

256. \$300,000 for the Pawtucket Armory Association in Pawtucket, Rhode Island for the renovation of the Pawtucket Armory as an arts center;

257. \$200,000 for the Warwick Boys and Girls Club, Warwick, Rhode Island for building renovations;

258. \$150,000 for the Trinity Repertory Theatre, Providence, Rhode Island for the construction of the Pell Chafee Performance Center;

259. \$100,000 for Travelers Air in Providence, Rhode Island for building renovations;

260. \$100,000 for the Institute for the Study and Practice of Non-violence for the renovation of the institute;

261. \$100,000 for the Town of Bristol, Rhode Island for the redevelopment of the waterfront complex;

262. \$100,000 for the Roger Williams Park in Providence, Rhode Island for the construction of the Botanical Gardens;



263. \$50,000 for the Seabee Museum and Memorial park in North Kingstown, Rhode Island for costs associated with construction;

264. \$50,000 for Harmony Hill School in Chepachet, Rhode Island for construction of Harmony House II;

265. \$1,000,000 for the Five Rivers Community Development Corporation, Georgetown, South Carolina for economic development and affordable housing;

266. \$500,000 to the Winchester Conservation Museum, Edgefield, South Carolina for expansion;

267. \$2,000,000 for Wakpa Sica Historical Society in Fort Pierre, South Dakota for the Wakpa Sica Reconciliation Center;

268. \$400,000 for the City of Parker, South Dakota for the development of a community center;

269. \$400,000 for the City of Beresford, South Dakota for the Beresford Industrial Infrastructure Development project;

270. \$200,000 for the Aberdeen Workforce Development Council, Aberdeen South Dakota for costs associated with the Workforce Development Center;

271. \$50,000 for the Canton Economic Development Corporation, Canton, South Dakota for infrastructure development;

272. \$350,000 for Dakota Wesleyan University, Mitchell, South Dakota for facilities construction for the McGovern Library and Center for Public Service;

273. \$350,000 for the City of Sioux Falls, South Dakota for the expansion and rehabilitation of the Orpheum Theatre;

274. \$200,000 for the City of Vermillion, South Dakota for the expansion of the Center for Children and Families;

275. \$100,000 for the City of Redfield, South Dakota for renovations and improvements to the Carnegie Library;

276. \$900,000 for the Five Points Commercial Development Project in Knoxville, Tennessee to develop abandoned, blighted, and underdeveloped commercial areas;

277. \$500,000 for Rolling Mill Hills in Nashville, Tennessee to revitalize distressed urban areas;

278. \$500,000 for the New Town Center at Soulsville in Memphis, Tennessee to support economic and community development;

279. \$500,000 for the Chattanooga Riverfront Development Project, Chattanooga, Tennessee to create new park space and other improvements along the riverfront;

280. \$100,000 for the Historic Rugby Economic Development Project in Rugby, Tennessee to develop new visitor facilities and encourage economic growth;

281. \$500,000 for the Tennessee State University Communications Enhancement Initiative in Nashville, Tennessee to complete a performing arts center and support community programs;

282. \$250,000 for the City of San Angelo, Texas for the Innovative Low Income Housing Financing Initiative;

283. \$450,000 for the Greater Kelly USA Development Authority, San Antonio, Texas for the Kelly USA Economic Development for Commerce for a manufacturing site served by rail;

284. \$200,000 for the City of Denton, Texas for the downtown redevelopment and infrastructure improvements;

285. \$100,000 for the City of Dallas, Texas for renovations to the Texas Theater;
286. \$300,000 for the City of Dallas, Texas for the Eagle Ford Low Income Housing Project for the development of affordable housing for low and moderate-income families;
287. \$200,000 for the City of Beaumont, Texas for the Downtown Improvement Program;
288. \$200,000 for Camp Fire USA, Texas for costs associated with multiple construction projects;
289. \$200,000 for the Border Trade Alliance, Texas for the Economic Health of the Southwest Border project;
290. \$200,000 for the City of Austin, Texas for the SMART (Safe, Mixed-Income, Accessible, Reasonably-Priced and Transit-Oriented) Housing Program;
291. \$300,000 for the Chinese Community Center, Houston, Texas to develop a new center site;
292. \$200,000 for Holt Hotel in Wichita Falls, Texas for continued renovations to the Holt Hotel;
293. \$200,000 for the Science Spectrum in Lubbock, Texas for the Science Spectrum Aerospace Exhibit to design and construct a 5,000 square foot permanent, hands-on exhibition demonstrating the science and engineering principles of powered flying machines, including aerospace concepts;
294. \$400,000 for the City of Austin, Texas for renovations needed, associated with the 2006 World Congress on Information Technology, to the Austin Community Center;
295. \$300,000 for the St. Philip's Development Board, Dallas, Texas for the St. Philip's Neighborhood Development Plan;
296. \$1,000,000 for the City of Provo, Utah for the Pioneer Neighborhood Revitalization project;
297. \$1,000,000 for the City of Ogden, Utah for the Ogden Central Neighborhood Redevelopment project;
298. \$500,000 for the City of Logan, Utah for Northwest Public Park project;
299. \$500,000 for Salt Lake City, Utah for the Pete Suazo Business Center to purchase building space;
300. \$500,000 for Syracuse City, Utah for the Syracuse City Senior Citizen and Community Center for construction;
301. \$500,000 for the Vermont Institute of Natural Science, Woodstock, Vermont for the construction of a wildlife rehabilitation facility;
302. \$400,000 for the Vermont Housing and Conservation Board, Montpelier, Vermont for the creation of affordable rental housing in downtown Brattleboro;
303. \$100,000 for the City of Burlington, Vermont for the construction of the Lake Champlain Navy Memorial;
304. \$1,000,000 for the Vermont Center on Emerging Technologies, Burlington, Vermont for the development of a technology incubator;
305. \$200,000 for the Vermont Housing and Conservation Board, Montpelier, Vermont for construction of affordable housing in St. Albans, Vermont;

306. \$250,000 for the Northern Community Investment Corporation, St. Johnsbury, Vermont for development of the Newport Area Family Services project;

307. \$400,000 for the Vermont Housing and Conservation Board, Montpelier, Vermont for construction of affordable housing in Essex, Vermont;

308. \$150,000 for the Vermont Broadband Council to expand broadband services in rural Vermont;

309. \$1,200,000 for the City of Newport News, Virginia for the development of the Newport News Fine Arts Center;

310. \$300,000 for the Art Museum of Western Virginia, Roanoke Virginia for the planning of the museum;

311. \$500,000 for the Museum Development Authority, Seattle, Washington for costs associated with brownfields redevelopment;

312. \$250,000 for the Kitsap County Consolidated Housing Authority, Bremerton, Washington for downtown revitalization;

313. \$250,000 for the Washington Technology Center in Seattle for the Washington Nanotechnology Initiative;

314. \$500,000 for the West Central Community Center, Spokane, Washington for costs associated with expansion;

315. \$300,000 for Lutheran Community Services Northwest, SeaTac, Washington for the construction of a community services building;

316. \$500,000 for the Compass Center in Seattle, Washington for the renovation and expansion of facilities;

317. \$200,000 for Hope Home in Pasco, Washington for the purchase and renovation of a home for its program;

318. \$250,000 for the Walter Clore Wine and Culinary Center in Prosser, Washington for costs associated with construction;

319. \$250,000 for the Economic Alliance in Okanogan, Washington for the construction of a business incubator;

320. \$250,000 for the City of Manitowoc, Wisconsin for economic development activities;

321. \$200,000 for the Menomonee Valley Partners of Milwaukee, Wisconsin for the redevelopment of a former rail yard;

322. \$100,000 for the West Central Wisconsin Regional Planning Commission of Eau Claire, Wisconsin for an economic development initiative;

323. \$100,000 for the City of Beloit, Wisconsin for the redevelopment of a former industrial site;

324. \$100,000 for Techstar of Milwaukee, Wisconsin for economic development initiatives;

325. \$500,000 for C-CAP, Inc., Waukesha, Wisconsin for costs associated with the Low Income Housing Redevelopment Project;

326. \$250,000 for the City of Kenosha, Wisconsin for the construction of affordable housing;

327. \$250,000 for the City of Madison, Wisconsin for the construction of low-income housing;

328. \$500,000 for Appalachian Bible College, Beckley, West Virginia to complete its library resource center;

329. \$1,000,000 for the Huntington Area Development Council, Huntington, West Virginia for the construction of a business incubator;

330. \$2,000,000 for West Virginia University in Morgantown for the construction of a facility focused on forensic science and biometrics research;

331. \$1,000,000 for the University of Wyoming for the construction of the Wyoming Technology Business Center.

The Neighborhood Initiatives grants are as follows:

1. \$2,000,000 for the Denali Commission for the rehabilitation and construction of affordable housing for teachers in rural Alaska;

2. \$4,000,000 for the Oklahoma Department of Environmental Quality for neighborhood restoration in Ottawa County;

3. \$5,000,000 for the Grace Hill Neighborhood Health Centers, Inc. for lead-abatement of housing in St. Louis, Missouri;

4. \$500,000 for the City of Denton, Texas for downtown redevelopment;

5. \$250,000 for the Garfield Family Intervention Center in Birney, Montana for renovations;

6. \$250,000 for the Rocky Mountain Elk Foundation, Missoula, Montana for building construction;

7. \$500,000 for the City of Fresno, California for the Roeding Business Park Development project;

8. \$750,000 for the City of Waterbury, Connecticut for the demolition of blighted buildings;

9. \$250,000 for the County of Hawaii for neighborhood restoration in Hilo, Hawaii;

10. \$500,000 for the Iowa Department of Economic Development for the Main Street Iowa initiative;

11. \$500,000 for the City of Waterloo, Iowa for the redevelopment of the Rath area brownfields;

12. \$300,000 for the City of Rockford, Illinois for a neighborhood revitalization project in the North Mid Town Area;

13. \$200,000 for the City of Indianapolis, Indiana for the Tenth Street Revitalization Project;

14. \$1,000,000 for MassDevelopment, Boston, Massachusetts for the Lawrence Gateway/Quadrant Area Redevelopment Plan;

15. \$500,000 for the City of Roseau, Minnesota for economic redevelopment;

16. \$250,000 for Rural Opportunities, Rochester, New York for the Upstate New York Community and Business Development New Market Initiative;

17. \$1,000,000 for the City of Rock City, South Carolina for the revitalization and the development of the Arcade-Westside Area of Rock Hill;

18. \$1,500,000 for the City of Beckley, West Virginia for downtown revitalization;

19. \$1,000,000 for East Baltimore Development Inc., in Baltimore, Maryland for redevelopment activities in East Baltimore.

20. \$150,000 for Charles County, Maryland for the La Plata Community Center.

The bill includes a number of technical corrections to previous grant awards.

## COLONIAS GATEWAY INITIATIVE

|                                |            |
|--------------------------------|------------|
| Appropriations, 2003 .....     | \$0        |
| Budget estimate, 2004 .....    | 16,000,000 |
| Committee recommendation ..... | 0          |

The Committee does not include \$16,000,000 as requested by the Administration for a new initiative in the Colonias.

## COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT

## (INCLUDING TRANSFER OF FUNDS)

|                                | Limitation on guarantee loans | Program costs |
|--------------------------------|-------------------------------|---------------|
| Appropriations, 2003 .....     | \$275,000,000                 | \$6,284,000   |
| Budget estimate, 2004 .....    | 0                             | 0             |
| Committee recommendation ..... | 275,000,000                   | 6,325,000     |

## PROGRAM DESCRIPTION

Section 108 of the Housing and Community Development Act of 1974, as amended, authorizes the Secretary to issue Federal loan guarantees of private market loans used by entitlement and non-entitlement communities to cover the costs of acquiring real property, rehabilitation of publicly-owned real property, housing rehabilitation, and other economic development activities.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$6,325,000 for program costs associated with the section 108 loan guarantee program. This amount is \$41,000 above the fiscal year 2003 enacted level and \$6,325,000 more than the budget request. The Administration recommended no funding for this program. While the program has had an uneven history, it does afford some communities the ability to leverage private capital for large projects through a pledge of future CDBG funds.

Of the funds provided, \$5,332,000 is for credit subsidy costs to guarantee \$275,000,000 in section 108 loan commitments in fiscal year 2004, and \$993,000 is for administrative expenses to be transferred to the salaries and expenses account.

## BROWNFIELDS REDEVELOPMENT

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$24,837,000 |
| Budget estimate, 2004 .....    | 0            |
| Committee recommendation ..... | 25,000,000   |

## PROGRAM DESCRIPTION

Section 108(q) of the Housing and Community Development Act of 1974, as amended, authorizes the Brownfields Redevelopment program. This program provides competitive economic development grants in conjunction with section 108 loan guarantees for qualified brownfields projects. Grants are made in accordance with Section 108(q) selection criteria. The program supports the cleanup and economic redevelopment of contaminated sites.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$25,000,000 for this program. This amount is about the same as the fiscal year 2003 enacted level and \$25,000,000 above the budget request. The administration requested no funding for this program. In order to allow greater flexibility, Brownfields funds are no longer required to be tied to section 108 development funding.

HOME INVESTMENT PARTNERSHIPS PROGRAM

(INCLUDING TRANSFER OF FUNDS)

|                                |                 |
|--------------------------------|-----------------|
| Appropriations, 2003 .....     | \$1,987,000,000 |
| Budget estimate, 2004 .....    | 2,197,000,000   |
| Committee recommendation ..... | 1,975,000,000   |

PROGRAM DESCRIPTION

Title II of the National Affordable Housing Act, as amended, authorizes the HOME Investment Partnerships Program. This program provides assistance to States and units of local government for the purpose of expanding the supply and affordability of housing to low- and very low-income people. Eligible activities include tenant-based rental assistance, acquisition, and rehabilitation of affordable rental and ownership housing and, also, construction of housing. To participate in the HOME program, State and local governments must develop a comprehensive housing affordability strategy. There is a 25-percent matching requirement for participating jurisdictions which can be reduced or eliminated if they are experiencing fiscal distress. Funding for the American Dream Downpayment Assistance initiative is also provided through the HOME program. This initiative provides downpayment assistance to low income families to help them achieve homeownership.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,975,000,000 for the HOME Investment Partnerships Program. This amount is \$12,000,000 less than the fiscal year 2003 enacted level and \$222,000,000 less than the budget request.

The Committee includes \$18,000,000 for technical assistance, the same amount as provided in fiscal year 2003. Of this amount, \$6,000,000 is for qualified non-profit intermediaries to provide technical assistance to Community Housing and Development Organizations [CHDOs]. The remaining \$12,000,000 is for intermediaries to provide technical assistance to HOME participating jurisdictions. The Committee objects to any proposal by the Department that ties the use of HOME funds for homeownership to the allocation of funds under the American Dream Downpayment Fund.

The Committee includes \$50,000,000 for the Administration's proposed American Dream Downpayment Fund. The Committee supports expanding homeownership opportunities, but remains concerned that this program lacks authorization and may be implemented by States and localities as an eligible HOME activity. The Committee supports efforts the Department may undertake to edu-

cate communities on how to use HOME funds to expand homeownership, and encourages the Department to use its technical assistance funds towards this end.

Of the amount provided for the HOME program, \$40,000,000 is for housing counseling assistance. The Committee does not fund housing assistance counseling in a new account, as proposed by the Administration. The Committee views homeownership counseling, including pre- and post-purchase counseling, as an essential part of successful homeownership. The Committee expects that this program will remain available to those participating in all HUD's homeownership programs. The Committee also urges HUD to utilize this program as a means of educating homebuyers on the dangers of predatory lending, in addition to the Administration's stated purpose of expanding homeownership opportunities.

HOMELESS ASSISTANCE GRANTS

(INCLUDING TRANSFER OF FUNDS)

|                                |                 |
|--------------------------------|-----------------|
| Appropriations, 2003 .....     | \$1,217,037,000 |
| Budget estimate, 2004 .....    | 1,325,000,000   |
| Committee recommendation ..... | 1,325,000,000   |

PROGRAM DESCRIPTION

The Homeless Assistance Grants Program provides funding to break the cycle of homelessness and to move homeless persons and families to permanent housing. This is done by providing rental assistance, emergency shelter, transitional and permanent housing, and supportive services to homeless persons and families. The emergency grant is a formula funded grant program, while the supportive housing, section 8 moderate rehabilitation single-room occupancy program and the shelter plus care programs are competitive grants. Homeless assistance grants provide Federal support to one of the Nation's most vulnerable populations. These grants assist localities in addressing the housing and service needs of a wide variety of homeless populations while developing coordinated Continuum of Care [CoC] systems that ensure the support necessary to help those who are homeless to attain housing and move toward self-sufficiency.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,325,000,000 for homeless assistance grants. The amount recommended is \$107,963,000 more than the fiscal year 2003 appropriated level and equal to the budget request. Of the amount provided, \$194,000,000 is to fund Shelter Plus Care renewals on an annual basis and \$12,000,000 is for technical assistance and management information system.

The Committee also has provided funds for the United States Interagency Council on Homelessness through a new account established under title III of this bill.

The Committee continues to believe that HUD and local providers need to increase, over time, the supply of permanent supportive housing for chronically homeless, chronically ill people until the need is met at an estimated 150,000 units. Accordingly, the Committee again includes a requirement that a minimum of 30

percent of the funds appropriated under this account be allocated to permanent housing. To this end, the Committee urges the Department to use its technical assistance funds to increase the capacity of homeless assistance providers to finance, develop, and operate permanent supportive housing.

The Committee is concerned that the Department is not taking the proper steps to ensure that Shelter Plus Care units are targeted to chronically homeless individuals. The Committee recognizes that the goal of creating 150,000 units of permanent supportive housing will not succeed in ending chronic homelessness if the Shelter Plus Care units are not properly targeted. The Committee directs the Department to report to the Committee by March 15, 2004 on how it is ensuring that Shelter Plus Care grants are made to providers serving chronically disabled, chronically homeless people.

The Committee remains supportive of the Department's ongoing work on data collection and analysis within the homeless programs. HUD should continue its collaborative efforts with local jurisdictions to collect an array of data on homelessness in order to analyze patterns of use of assistance, including how people enter and exit the homeless assistance system, and to assess the effectiveness of the homeless assistance system. The Committee directs HUD to take the lead in working with communities toward this end, and to analyze jurisdictional data. The Committee directs HUD to report on the progress of this data collection and analysis effort by no later than March 12, 2004.

The Committee supports the U.S. Interagency Council on Homelessness's [ICH] efforts to develop 10-year plans to end chronic homelessness. For example, the U.S. Conference of Mayors recently adopted a resolution encouraging cities to create and implement performance based, results oriented strategic plans to end chronic homelessness in 10 years. Accordingly, the Committee directs the Department to develop incentives or requirements, as necessary, under the McKinney-Vento program that supports the development and implementation of these 10-year plans.

The Committee remains concerned about the out-year costs of renewing permanent housing programs. Therefore, the Committee directs the Department to include 5-year projections, on an annual basis, for the cost of renewing the permanent housing component of the Supportive Housing Program and Shelter Plus Care grants in its fiscal year 2005 budget justifications.

EMERGENCY FOOD AND SHELTER PROGRAM

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$100,000,000 |
| Budget estimate, 2004 .....    | 100,000,000   |
| Committee recommendation ..... | 0             |

PROGRAM DESCRIPTION

The Emergency Food and Shelter Program originated as a one-time emergency appropriation to combat the effects of high unemployment in the emergency jobs bill (Public Law 98-8) which was enacted in March 1983. It was authorized under title III of the Stewart B. McKinney Homeless Assistance Act of 1987, Public Law 100-177.



The program has been funded by the Department of Homeland Security's [DHS] Federal Emergency Management Agency [FEMA] and administered by a national board and the majority of the funding has been spent for providing temporary food and shelter for the homeless. Participating organizations are restricted by legislation from spending more than 3.5 percent of the funding received for administrative costs.

COMMITTEE RECOMMENDATION

The Committee does not include the Administration's proposal to transfer the Emergency Food and Shelter Program from DHS to HUD. The Committee has provided funding for this program within DHS.

URBAN DEVELOPMENT ACTION GRANTS

The Committee includes a rescission of \$30,000,000 from the UDAG program, as requested by the Administration. This program was terminated in 1990.

HOUSING PROGRAMS

HOUSING FOR SPECIAL POPULATIONS

(INCLUDING TRANSFER OF FUNDS)

|                                |                 |
|--------------------------------|-----------------|
| Appropriations, 2003 .....     | \$1,027,081,000 |
| Budget estimate, 2004 .....    | 0               |
| Committee recommendation ..... | 1,033,801,000   |

PROGRAM DESCRIPTION

This account consolidates the housing for the elderly under section 202 and housing for the disabled under section 811. Under these programs, the Department provides capital grants to eligible entities for the acquisition, rehabilitation, or construction of housing. Up to 25 percent of the funding provided for housing for the disabled may be made available for tenant-based assistance under section 8.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,033,801,000 for development of additional new subsidized housing. Included in this recommendation is \$783,286,000 for capital advances for housing for the elderly (section 202 housing) and \$250,515,000 for capital advances for housing for the disabled (section 811 housing). This is \$9,650,000 more than the budget request in section 202 housing for fiscal year 2003. Up to 25 percent of the funding allocated for housing for the disabled can be used to fund tenant-based rental assistance for the disabled.

The section 202 funds include up to \$30,000,000 for the conversion of section 202 housing to assisted living facilities, and up to \$50,000,000 for service coordinators. HUD is directed to report by June 15, 2004 to the House and Senate Committees on Appropriations on the status of the conversion program, including steps being taken to ensure funds are being utilized. Of the funds provided, \$30,000,000 is for the capital grant program. The Committee in-

tends that these funds are available to both convert existing 202 properties to assisted living as well as for substantial capital repairs. The Committee urges HUD to work with the National Baptist Convention Office of Housing Commission on providing affordable housing for seniors and as an interface for technical assistance.

The Committee is concerned about the growing costs of renewal contracts within the elderly and disabled housing programs. This legislation includes a new provision requiring HUD to include individual line requests for all housing assistance renewal requirements, including the amounts needed for expiring elderly and disabled housing contracts.

FLEXIBLE SUBSIDY FUND

(TRANSFER OF FUNDS)

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

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

RENTAL HOUSING ASSISTANCE

PROGRAM DESCRIPTION

The section 236 Rental Housing Assistance Program is authorized by the Housing and Urban Development Act of 1968, as amended. The section 236 program subsidizes the monthly mortgage payment that an owner of a rental or cooperative project is required to make. This interest subsidy reduces rents for lower income tenants. Title V of the 1998 Appropriations Act established a program of rehabilitation grants for owners of eligible projects.

COMMITTEE RECOMMENDATION

The Committee has included a provision that provides for the recapture of \$303,000,000 from contract authority in excess of funds needed under section 236 of the National Housing Act. The Committee has dedicated these funds to other housing needs.

MANUFACTURED HOUSING FEES TRUST FUND

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$12,915,000 |
| Budget request, 2004 .....     | 17,000,000   |
| Committee recommendation ..... | 13,000,000   |

## PROGRAM DESCRIPTION

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

## COMMITTEE RECOMMENDATION

The Committee recommends \$13,000,000 to support the manufactured housing standards programs to be derived from fees collected and deposited in the Manufactured Housing Fees Trust Fund account. The amount recommended is \$4,000,000 less than the budget request and \$85,000 more than the fiscal year 2003 enacted level.

## FEDERAL HOUSING ADMINISTRATION

## MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

## (INCLUDING TRANSFERS OF FUNDS)

|                                | Limitation on direct loans | Limitation on guaranteed loans | Administrative expenses |
|--------------------------------|----------------------------|--------------------------------|-------------------------|
| Appropriations, 2003 .....     | \$100,000,000              | \$165,000,000,000              | \$345,568,000           |
| Budget estimate, 2004 .....    | 50,000,000                 | 185,000,000,000                | 359,000,000             |
| Committee recommendation ..... | 50,000,000                 | 185,000,000,000                | 359,000,000             |

## GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

## (INCLUDING TRANSFERS OF FUNDS)

|                                | Limitation on direct loans | Limitation on guaranteed loans | Administrative expenses | Program costs |
|--------------------------------|----------------------------|--------------------------------|-------------------------|---------------|
| Appropriations, 2003 .....     | \$50,000,000               | \$23,000,000,000               | \$222,262,000           | \$15,000,000  |
| Budget estimate, 2004 .....    | 50,000,000                 | 25,000,000,000                 | 229,000,000             | 14,902,000    |
| Committee recommendation ..... | 50,000,000                 | 25,000,000,000                 | 229,000,000             | 15,000,000    |

## PROGRAM DESCRIPTION

The Federal Housing Administration [FHA] fund covers the mortgage and loan insurance activity of about 40 HUD mortgage/loan insurance programs which are grouped into the mutual mortgage insurance [MMI] fund, cooperative management housing insurance [CMHI] fund, general insurance fund [GI] fund, and the special risk insurance [SRI] fund. For presentation and accounting control purposes, these are divided into two sets of accounts based on shared characteristics. The unsubsidized insurance programs of the mutual mortgage insurance fund and the cooperative management housing insurance fund constitute one set; and the general risk insurance and special risk insurance funds, which are partially composed of subsidized programs, make up the other.

The amounts for administrative expenses are to be transferred from appropriations made in the FHA program accounts to the

HUD “Salaries and expenses” accounts. Additionally, funds are also appropriated for administrative contract expenses for FHA activities.

#### COMMITTEE RECOMMENDATION

The Committee has included the following amounts for the “Mutual Mortgage Insurance Program” account: a limitation on guaranteed loans of \$185,000,000,000, a limitation on direct loans of \$50,000,000, and an appropriation of \$359,000,000 for administrative expenses. For the GI/SRI account, the Committee recommends \$25,000,000,000 as a limitation on guaranteed loans, a limitation on direct loans of \$50,000,000, and \$229,000,000 for administrative expenses. The administrative expenses appropriation will be transferred and merged with the sums in the Department’s “Salaries and expenses” account and the “Office of the Inspector General” account.

In addition, the Committee directs HUD to continue direct loan programs in 2004 for multifamily bridge loans and single family purchase money mortgages to finance the sale of certain properties owned by the Department. Temporary financing shall be provided for the acquisition and rehabilitation of multifamily projects by purchasers who have obtained commitments for permanent financing from another lender. Purchase money mortgages will enable governmental and nonprofit intermediaries to acquire properties for resale to owner-occupants in areas undergoing revitalization.

The Committee remains concerned that HUD has failed to calculate adequately the amount of credit subsidy necessary to support its multifamily mortgage insurance programs. The Committee continues to direct HUD to institute a computer program that accurately identifies the risk of default and financial risk to the insurance fund, including the ability to mark to market each day. The Committee further directs HUD to issue any premium changes through notice and comment rule making, as required by law.

The Committee is disappointed by FHA’s failure to notify the appropriate Congressional committees that it may not have had adequate authority to cover loan commitments for its FHA Single Family Mortgage Insurance program in fiscal year 2003. Without HUD’s recent decision to delay the point of obligation for the effective date of liability for FHA single family mortgage insurance, HUD would have had to terminate its FHA Single Family Mortgage Insurance program in August of 2003, effectively stalling homeownership for many thousands of families. While this legal decision appears appropriate, the Committee is concerned that the Congress was never effectively notified regarding the potential risk of termination of this important homeownership program. To ensure that HUD provides proper notification of the status of the FHA Single Family Mortgage Insurance program in the future, the Committee directs HUD to continue submitting reports required by section 3(b) of Public Law 99–289 as well as weekly updates to the House and Senate Committees on Appropriations regarding FHA’s commitment levels following notification that the FHA’s mortgage insurance commitments have exceeded 75 percent of the limit set forth in this bill.

The Committee also continues to be disappointed by the slow pace at which the Department is implementing the Asset Control Area [ACA] program. The Committee recognizes that the Department has made substantial changes to the Asset Control Area program guidelines, including a fairer, more streamlined discount structure on foreclosed properties. However, no Asset Control Area contracts have been signed since this Committee instructed the Department to resume the ACA program in H.R. 4775.

Contributing to the delay in implementation of the ACA program is the fact that HUD continues to narrowly interpret the statutory flexibility Congress provided when it created the ACA program. The ACA program must remain sufficiently flexible to allow the Department to be responsive to the unique needs of each community. For example, HUD should allow ACA partners to sell rehabbed properties at market value so that sales of HUD properties do not undermine already unstable housing markets. Any proceeds above eligible total development costs should be used to further the goals of the ACA program. In addition, HUD should allow ACA participants to rehabilitate a limited number of multi-unit homes for rental housing for low-income people or sell them for development of rental housing for low-income people.

The Department has proposed a number of administrative changes to the Asset Control Area program, including redefining revitalization areas. The Committee directs the Department to also consider high rates of default or foreclosure for single family mortgages insured by FHA when determining revitalization areas, as required by Public Law 105-276. Further, the Committee directs the Department to submit a report that lists all of the communities that lost their designation as revitalization areas, and to provide a justification for that change to the Committee by January 2, 2004. Until this program is fully operational, the Committee directs HUD to award no bonuses, step increases or other awards for the staff that have primary responsibility for this program. This program represents an opportunity to help rebuild distressed communities through homeownership. HUD has no valid excuse for its failure to implement this program in a timely manner. Both the families who live in these distressed communities and communities themselves have been disadvantaged because of HUD's continuing failure to move forward with a program that should be considered a priority program within the FHA housing portfolio.

The Committee is concerned that the Section 242 Hospital Insurance program's focus in a single state constitutes unacceptably high risk and that the Department should take steps to reduce the 83 percent portfolio concentration in New York in order to ensure the long-term viability of the program and mitigate risks for the General Insurance Fund. Therefore, the Committee directs HUD to report to the Committee by June 30, 2004 on its efforts to reduce geographic concentration of risk in the Section 242 program not later than 180 days after the enactment of this act. The Committee also directs HUD in this report to identify alternatives to HUD's underwriting of hospitals as well as assess the overall financial risk to HUD in underwriting hospital insurance, how risk is assessed and ways to mitigate and minimize this risk. This report should include an assessment of private and public investment in hospitals and

healthcare facilities as well as how the marketplace works in meeting the healthcare facility needs of rural and urban areas. The Department is directed to consult with HHS on these issues for the final report.

The Committee urges the Department to take more proactive steps to prevent foreclosures in its FHA single family programs. The Committee directs FHA to require one or more of the following: an appraisal conducted by a State certified appraiser, with experience in the market and certified by the city; a home inspection; or the presence of someone with a fiduciary responsibility to the buyer, such as a buyer's realtor, or other agent representing the buyer's interest, during the purchase of FHA-insured houses in revitalization areas. The Committee also urges the Department to reinstitute its long standing policy which required that new homes purchased with FHA insurance receive either an FHA-certified inspection or a 10-year insurance-backed warranty.

The Committee has included bill language to require the Department to promulgate a regulation to institute a "good neighbor" policy in the multi-family housing insurance program at FHA. The Committee intends for this regulation to allow HUD to preclude certain buyers from purchasing foreclosed properties during the disposition process. The Committee directs the FHA to institute a policy that allows it to prevent the sale of HUD properties, from HUD, or from State and local governments, to people with demonstrated patterns of severe housing code violations. Bill language is included to require the regulation be issued within 90 days of enactment.

#### GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

##### GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

|                                      |                   |
|--------------------------------------|-------------------|
| Appropriations, 2003:                |                   |
| Limitation on guaranteed loans ..... | \$200,000,000,000 |
| Administrative expenses .....        | 10,276,000        |
| Budget estimate, 2004:               |                   |
| Limitation on guaranteed loans ..... | 200,000,000,000   |
| Administrative expenses .....        | 10,695,000        |
| Committee recommendation:            |                   |
| Limitation on guaranteed loans ..... | 200,000,000,000   |
| Administrative expenses .....        | 10,695,000        |

##### PROGRAM DESCRIPTION

The Government National Mortgage Association [GNMA], through the mortgage-backed securities program, guarantees privately issued securities backed by pools of mortgages. GNMA is a wholly owned corporate instrumentality of the United States within the Department. Its powers are prescribed generally by title III of the National Housing Act, as amended. GNMA is authorized by section 306(g) of the act to guarantee the timely payment of principal and interest on securities that are based on and backed by a trust, or pool, composed of mortgages that are guaranteed and insured by the Federal Housing Administration, the Farmers Home

Administration, or the Department of Veterans Affairs. GNMA's guarantee of mortgage-backed securities is backed by the full faith and credit of the United States.

In accord with the Omnibus Budget Reconciliation Act of 1990 [OBRA] requirements for direct and guaranteed loan programs, the administration is requesting \$10,695,000 for administrative expenses in the mortgage-backed securities program. Amounts to fund this direct appropriation to the "MBS program" account are to be derived from offsetting receipts transferred from the "Mortgage-backed securities financing" account to a Treasury receipt account.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on new commitments of mortgage-backed securities of \$200,000,000,000. This amount is the same level as proposed by the budget request. The Committee also has included \$10,695,000 for administrative expenses, the same as the budget request and an increase of \$419,000 above the fiscal year 2003 enacted level.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$46,695,000 |
| Budget estimate, 2004 .....    | 51,000,000   |
| Committee recommendation ..... | 47,000,000   |

PROGRAM DESCRIPTION

Title V of the Housing and Urban Development Act of 1970, as amended, directs the Secretary of the Department of Housing and Urban Development to undertake programs of research, evaluation, and reports relating to the Department's mission and programs. These functions are carried out internally and through grants and contracts with industry, nonprofit research organizations, educational institutions, and through agreements with State and local governments and other Federal agencies. The research programs seek ways to improve the efficiency, effectiveness, and equity of HUD programs and to identify methods to achieve cost reductions. Additionally, this appropriation is used to support HUD evaluation and monitoring activities and to conduct housing surveys.

COMMITTEE RECOMMENDATION

The Committee recommends \$47,000,000 for research and technology activities in fiscal year 2003. This amount is \$305,000 above the fiscal year 2003 enacted level and \$4,000,000 below the budget request. Of this funding, \$7,500,000 is for the Partnership for Advancing Technologies in Housing [PATH] program. The Committee expects the PATH program to continue its cold climate housing research with the Cold Climate Housing Research Center in Fairbanks, Alaska. The Committee also supports the continuing research on promising technologies for the manufactured housing industry.

In addition, because in the past HUD has used this office's broad authority to administer new and unauthorized programs, the Office of Policy Development and Research is denied demonstration authority except where approval is provided by Congress in response to a reprogramming request.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$45,601,000 |
| Budget estimate, 2004 .....    | 50,000,000   |
| Committee recommendation ..... | 50,000,000   |

PROGRAM DESCRIPTION

The fair housing activities appropriation includes funding for both the Fair Housing Assistance Program [FHAP] and the Fair Housing Initiatives Program [FHIP].

The Fair Housing Assistance Program helps State and local agencies to implement title VIII of the Civil Rights Act of 1968, as amended, which prohibits discrimination in the sale, rental, and financing of housing and in the provision of brokerage services. The major objective of the program is to assure prompt and effective processing of title VIII complaints with appropriate remedies for complaints by State and local fair housing agencies.

The Fair Housing Initiatives Program is authorized by section 561 of the Housing and Community Development Act of 1987, as amended, and by section 905 of the Housing and Community Development Act of 1992. This initiative is designed to alleviate housing discrimination by increasing support to public and private organizations for the purpose of eliminating or preventing discrimination in housing, and to enhance fair housing opportunities.

COMMITTEE RECOMMENDATION

The Committee recommendation provides \$50,000,000, of which \$23,000,000 is for the fair housing assistance program [FHAP] and no more than \$27,000,000 is for the fair housing initiatives program [FHIP].

The Committee emphasizes that State and local agencies under FHAP should have the primary responsibility for identifying and addressing discrimination in the sale, rental, and financing of housing and in the provision of brokerage services. It is critical that consistent fair housing policies be identified and implemented to insure continuity and fairness, and that States and localities continue to increase their understanding, expertise, and implementation of the law.

OFFICE OF LEAD HAZARD CONTROL

LEAD HAZARD REDUCTION

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$174,856,000 |
| Budget estimate, 2004 .....    | 136,000,000   |
| Committee recommendation ..... | 175,000,000   |



## PROGRAM DESCRIPTION

Title X of the Housing and Community Development Act of 1992 established the Residential Lead-Based Paint Hazard Reduction Act under which HUD is authorized to make grants to States, localities and native American tribes to conduct lead-based paint hazard reduction and abatement activities in private low-income housing. This has become a significant health hazard, especially for children. According to the Centers for Disease Control and Prevention [CDC], some 890,000 children have elevated blood levels, down from 1.7 million in the late 1980s. Despite this improvement, lead poisoning remains a serious childhood environmental condition, with some 4.4 percent of all children aged 1 to 5 years having elevated blood lead levels. This percentage is much higher for low-income children living in older housing.

## COMMITTEE RECOMMENDATION

The Committee recommends \$175,000,000 for lead-based paint hazard reduction and abatement activities for fiscal year 2004. This amount is \$39,000,000 more than the budget request and \$144,000 more than the fiscal year 2003 enacted level. Of this amount, HUD may use up to \$10,000,000 for the Healthy Homes Initiative under which HUD conducts a number of activities designed to identify and address housing-related illnesses. The Committee supports the research being conducted by the National Foundation for Environmental Education on black mold, and encourages the Department to use funds provided for the Healthy Homes Initiative to fund this type of research.

The Committee recommends \$50,000,000 for the lead hazard reduction demonstration program which was established in fiscal year 2003 to focus on major urban areas where children are disproportionately at risk for lead poisoning.

As previously discussed, there remains significant lead risks in privately-owned housing, particularly in unsubsidized low-income units. For that reason, approximately 1 million children under the age of 6 in the United States suffer from lead poisoning. While lead poisoning crosses all socioeconomic, geographic, and racial boundaries, the burden of this disease falls disproportionately on low-income and minority families. In the United States, children from poor families are eight times more likely to be poisoned than those from higher income families. Nevertheless, the risks associated with lead-based paint hazards can be addressed fully over the next decade.

As noted last year, the urban lead hazard reduction program is designed to target funding to major urban areas where the lead hazard risk for low-income children under the age of 6 is greatest. Qualified applicants are the 25 major urban areas identified by the Secretary as having: (1) the highest number of pre-1940 units of rental housing; (2) significant deterioration of paint and; (3) a disproportionately high number of documented cases of lead-poisoned children. At least 80 percent of funds must be used for abatement and interim control of lead-based paint hazards. Further, the program targets abatement to units that serve low-income families. In order to ensure that occupants of all units in multi-family housing

developments are adequately protected by lead hazard reduction activities, grantees are permitted to treat all residential units in structures with 5 or more units, a majority of which are occupied by low-income families, as though they were occupied entirely by low-income people. As a condition of assistance, each major urban area shall submit a detailed plan for use of funds that demonstrates sufficient capacity acceptable to the Secretary of Housing and Urban Development. The plans should identify units with the most significant risk, and should include strategies to reduce the risk of lead hazards and to mobilize public and private resources.

The Committee also encourages HUD to work with grantees on its lead-based paint abatement hazards programs so that information is disclosed to the public on lead hazard abatements, risk assessment data and blood lead levels through publications and internet sites such as Lead-SafeHomes.info.

The Committee also includes \$5,000,000 in the Neighborhood Initiative program to begin a lead-based paint abatement pilot program in St. Louis to be coordinated by the Grace Hill Neighborhood Health Centers to eliminate the source of lead paint poisoning within the city's large, aging housing stock. The Committee is aware of highly successful lead paint abatement efforts in Milwaukee and Baltimore and strongly recommends that the St. Louis effort use and adopt the best practices from those cities and other successful efforts to help perfect a model program that could be used as a nation-wide model.

## MANAGEMENT AND ADMINISTRATION

### SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

[In thousands of dollars]

|                             | Appropriation | FHA funds | GNMA funds | CDBG funds | Title VI transfer | Indian housing block grant | Native Hawaiian loan | Total     |
|-----------------------------|---------------|-----------|------------|------------|-------------------|----------------------------|----------------------|-----------|
| Appropriations, 2003 .....  | 526,852       | 544,639   | 10,276     | 993        | 199               | 149                        | 35                   | 1,083,143 |
| Budget estimate, 2004 ..... | 536,000       | 564,000   | 10,695     | 1,000      | 250               | 150                        | 35                   | 1,112,130 |
| Committee recommendation .. | 547,000       | 564,000   | 10,695     | 1,000      | 150               | 250                        | 35                   | 1,122,130 |

### PROGRAM DESCRIPTION

The "Salaries and expenses" account finances all salaries and related expenses associated with administering the programs of the Department of Housing and Urban Development. These include the following activities:

*Housing and Mortgage Credit Programs.*—This activity includes staff salaries and related expenses associated with administering housing programs, the implementation of consumer protection activities in the areas of interstate land sales, mobile home construction and safety, and real estate settlement procedures.

*Community Planning and Development Programs.*—Funds in this activity are for staff salaries and expenses necessary to administer community planning and development programs.

*Equal Opportunity and Research Programs.*—This activity includes salaries and related expenses associated with implementing equal opportunity programs in housing and employment as required by law and Executive orders and the administration of research programs and demonstrations.

*Departmental Management, Legal, and Audit Services.*—This activity includes a variety of general functions required for the Department's overall administration and management. These include the Office of the Secretary, Office of General Counsel, Office of Chief Financial Officer, as well as administrative support in such areas as accounting, personnel management, contracting and procurement, and office services.

*Field Direction and Administration.*—This activity includes salaries and expenses for the regional administrators, area office managers, and their staff who are responsible for the direction, supervision, and performance of the Department's field offices, as well as administrative support in areas such as accounting, personnel management, contracting and procurement, and office services.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,112,130,000 for salaries and expenses. This amount is \$28,987,000 more than the fiscal year 2003 enacted level and the same as the budget request. The appropriation includes the requested amount of \$564,000,000 transferred from various funds from the Federal Housing Administration, \$10,695,000 transferred from the Government National Mortgage Association, \$1,000,000 from the community development block grant funds, \$150,000 from title VI, \$250,000 from the Native American Housing Block Grant, and \$35,000 from the Native Hawaiian Housing Program.

The Committee remains concerned over HUD's hiring practices which resulted in the Department hiring some 268 full time equivalents [FTEs] over its requested 9,100 FTEs for fiscal year 2003. In many cases, these employees were hired without regard to office and program needs or pursuant to HUD's own staffing plan. The Committee directs HUD to report quarterly to the House and Senate Committees on Appropriations on all hiring within the Department, including justifications for any significant increase in FTEs for any particular office or activity.

The Committee also is concerned with the Department's misunderstanding of the fiscal year 2003 bill and report language for this account which resulted in the removal of all authority for appropriations law from the Office of the General Counsel to the Office of the Chief Financial Officer and the Office of Budget. This bill reaffirms the overall responsibility of the HUD General Counsel for appropriation law issues within HUD. The Committee notes that a legal opinion issued by the Office of Legal Counsel in the Department of Justice on August 8, 2003 stated unequivocally that, while the VA-HUD fiscal year 2003 Appropriations Act provided authority for the HUD Chief Financial Officer to investigate potential and actual violations of all appropriations law, nothing in that law removed overall authority for appropriations law issues from the Office of the General Counsel. The Committee expects HUD to follow this opinion and reinstate the authority of the Office of the

General Counsel for overall appropriation law issues. In addition, the Committee remains very concerned that any efforts to limit authority for violations of the Anti-Deficiency Act and other appropriations laws to the Office of the CFO and the Budget Office will create unacceptable conflicts of interest with regard to the normal responsibilities of the CFO and the Budget Office.

In addition, the Department is prohibited from employing more than 77 schedule C and 20 noncareer senior executive service employees. The Committee understands that the Department is staffed largely by personnel who are close to retirement and at the top of the civil service pay schedule. The Committee encourages HUD to implement hiring practices that result in the hiring of young professionals who can gain experience and advancement.

OFFICE OF INSPECTOR GENERAL  
(INCLUDING TRANSFER OF FUNDS)

|                                | Appropriation | FHA funds by transfer | Drug elimination grants transfer | Total        |
|--------------------------------|---------------|-----------------------|----------------------------------|--------------|
| Appropriations, 2003 .....     | \$73,674,000  | \$23,343,000          | .....                            | \$97,017,000 |
| Budget estimate, 2004 .....    | 76,080,000    | 24,000,000            | .....                            | 100,080,000  |
| Committee recommendation ..... | 78,000,000    | 24,000,000            | .....                            | 102,000,000  |

PROGRAM DESCRIPTION

This appropriation will finance all salaries and related expenses associated with the operation of the Office of the Inspector General [OIG].

COMMITTEE RECOMMENDATIONS

The Committee recommends an overall funding level of \$102,000,000 for the Office of Inspector General [OIG]. This amount is \$4,983,000 above the fiscal year 2003 enacted level and \$1,920,000 above the budget request. This funding level includes \$24,000,000 by transfer from various FHA funds. The Committee commends OIG for its commitment and its efforts in reducing waste, fraud and abuse in HUD programs.

WORKING CAPITAL FUND

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$274,504,000 |
| Budget estimate, 2004 .....    | 276,300,000   |
| Committee recommendation ..... | 240,000,000   |

PROGRAM DESCRIPTION

The working capital fund, authorized by the Department of Housing and Urban Development Act of 1965, finances information technology and office automation initiatives on a centralized basis.

COMMITTEE RECOMMENDATION

The Committee recommends \$240,000,000 for the working capital fund for fiscal year 2004. These funds are \$36,300,000 below the budget request and \$34,504,000 below the fiscal year 2003 level.

## CONSOLIDATED FEE FUND

## (RESCISSION)

|                                |             |
|--------------------------------|-------------|
| Appropriations, 2003 .....     | \$8,000,000 |
| Budget estimate, 2004 .....    | 0           |
| Committee recommendation ..... | 0           |

## PROGRAM DESCRIPTION

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

## COMMITTEE RECOMMENDATION

The Committee recommends a rescission of all unobligated balances from the fee fund, as requested by the Administration.

## OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

## SALARIES AND EXPENSES

## (INCLUDING TRANSFER OF FUNDS)

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$29,805,000 |
| Budget estimate, 2004 .....    | 32,415,000   |
| Committee recommendation ..... | 32,415,000   |

## PROGRAM DESCRIPTION

This appropriation funds the Office of Federal Housing Enterprise Oversight [OFHEO], which was established in 1992 to regulate the financial safety and soundness of the two housing Government sponsored enterprises [GSE's], the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. The Office was authorized in the Federal Housing Enterprise Safety and Soundness Act of 1992, which also instituted a three-part capital standard for the GSE's, and gave the regulator enhanced authority to enforce those standards.

## COMMITTEE RECOMMENDATION

The Committee recommends \$32,415,000 for the Office of Federal Housing Enterprise Oversight, which is the same as the budget request and \$2,610,000 more than the fiscal year 2003 enacted level.

The Committee remains very concerned regarding the competency of this office to provide the necessary financial oversight of Fannie Mae and Freddie Mac. This concern was reinforced by OFHEO's failure to identify recent accounting and management irregularities at Freddie Mac. While it appears that Freddie Mac is in good financial shape, it is not clear whether OFHEO would have identified the financial irregularities if Freddie Mac had been in financial risk. Because of these irregularities the Committee believes OFHEO must be competent and capable to identify all ac-

counting and management irregularities, regardless of immediate financial risk.

#### ADMINISTRATIVE PROVISIONS

The Committee recommends 25 administrative provisions. A brief description follows.

SEC. 201. Promotes the refinancing of certain housing bonds.

SEC. 202. Provides free speech protections.

SEC. 203. Technical correction for the allocation of HOPWA funding.

SEC. 204. Requires HUD to award funds on a competitive basis unless otherwise provided.

SEC. 205. Allows funds to be used to reimburse GSEs and other Federal entities for various administrative expenses.

SEC. 206. Limits HUD spending to amounts set out in the budget justification.

SEC. 207. Clarifies expenditure authority for entities subject to the Government Corporation Control Act.

SEC. 208. Requires HUD to submit certain additional information as part of its annual budget justifications.

SEC. 209. Requires HUD to maintain section 8 assistance on properties occupied by elderly or disabled families.

SEC. 210. Exempts Alaska, Iowa, and Mississippi from the requirement of having a PHA resident on the board of directors for fiscal year 2004. Instead, the public housing agencies in these States are required to establish advisory boards that include public housing tenants and section 8 recipients.

SEC. 211. Sunsets the HOPE VI program on September 30, 2006.

SEC. 212. Requires quarterly reports on all uncommitted, unobligated and excess funds associated with HUD programs.

SEC. 213. Requires HUD to report on the number of units being assisted under section 8 and the per unit cost of these units.

SEC. 214. Provides correction to HOPWA funding for Pennsylvania and New Jersey.

SEC. 215. Extends the authority to waive the 40 percent rent ceiling under section 8 for certain projects.

SEC. 216. Makes section 811 housing eligible for service coordinators.

SEC. 217. Revises formula for the payment of debentures under FHA.

SEC. 218. Renames Interagency Council on the Homeless.

SEC. 219. Establishes new FHA mortgage insurance program to reform bad credit.

SEC. 220. Provides access to new data to verify section 8 rents.

SEC. 221. Facilitates the financing of rehabilitation and development of public housing.

SEC. 222. Corrects salary requirements for the United States Interagency Council on Homelessness.

SEC. 223. Changes management of funding for nonentitlement areas in Hawaii.

SEC. 224. Establishes new requirements for the disposition of HUD-owned multifamily housing.

SEC. 225. Makes a technical correction to section 217 of Public Law 107-73 with respect to the re-use of funds originally made available for the Hollander Ridge HOPE VI grant award.

TITLE III—INDEPENDENT AGENCIES  
 AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$35,017,000 |
| Budget estimate, 2004 .....    | 32,400,000   |
| Committee recommendation ..... | 35,000,000   |

PROGRAM DESCRIPTION

The American Battle Monuments Commission [ABMC] is responsible for the maintenance and construction of U.S. monuments and memorials commemorating the achievements in battle of our Armed Forces where they have served since April 1917; for controlling the erection of monuments and markers by U.S. citizens and organizations in foreign countries; and for the design, construction, and maintenance of permanent military cemetery memorials in foreign countries. The Commission maintains 24 military memorial cemeteries and 31 monuments, memorials, markers, and offices in 15 countries around the world, including three large memorials on U.S. soil. It is presently charged with erecting a World War II Memorial in the Washington, DC, area.

COMMITTEE RECOMMENDATION

The Committee recommends \$35,000,000 for the American Battle Monuments Commission. This amount is \$2,600,000 above the budget request and \$17,000 below the fiscal year 2003 enacted level. The Committee has provided additional funds to support the ongoing Normandy visitor center project (\$1,720,000) and to restore funding for salaries and expenses (\$880,000).

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

SALARIES AND EXPENSES

|                                |             |
|--------------------------------|-------------|
| Appropriations, 2003 .....     | \$6,408,000 |
| Budget estimate, 2004 .....    | 8,000,000   |
| Committee recommendation ..... | 8,000,000   |

PROGRAM DESCRIPTION

The Chemical Safety and Hazard Investigation Board was authorized by the Clean Air Act Amendments of 1990 to investigate accidental releases of certain chemical substances resulting in, or that may cause, serious injury, death, substantial property damage, or serious adverse effects on human health. It became operational in fiscal year 1998.



## COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$8,000,000 for the Chemical Safety and Hazard Investigation Board, equal to the budget request and \$1,592,000 above the fiscal year 2003 level.

The Committee recognizes that the Board has accepted the FEMA IG's recommendations to rectify certain unacceptable deficiencies, and has taken strong steps to implement the IG's recommendations. The Committee continues to support the FEMA IG's ongoing review of the Board's activities and remains concerned regarding the Board's ability to meet mission requirements.

The Committee also believes that the Board should be working with the Department of Homeland Security [DHS] in identifying critical requirements for the protection of chemical and related industrial plants from the risk of terrorist attack. The Committee directs the Board to report to the Committee by April 20, 2005 on its contributions to these efforts and its relationship with the DHS.

As provided in previous fiscal years, for this fiscal year and hereafter, the Chief Operating Officer of the Board shall prepare a financial statement for the preceding fiscal year, covering all accounts and associated activities of the Board. Each financial statement of the Board will be prepared according to the form and content of the financial statements prescribed by the Office of Management and Budget for executive agencies required to prepare financial statements under the Chief Financial Officers Act of 1990, as amended by the Government Management Reform Act of 1994. Each financial statement prepared under 31 USC 3515 by the Board shall be audited according to applicable generally accepted government auditing standards by the Inspector General of the Board or an independent external auditor, as determined by the Inspector General. The IG shall submit to the Chief Operating Officer of the Board a report on the audit not later than June 30th of the fiscal year for which a statement was prepared.

The Committee has again included bill language limiting the number of career senior executive service positions to three.

## DEPARTMENT OF THE TREASURY

## COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM  
ACCOUNT

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$74,512,000 |
| Budget estimate, 2004 .....    | 51,000,000   |
| Committee recommendation ..... | 70,000,000   |

## PROGRAM DESCRIPTION

The Community Development Financial Institutions Fund makes investments in the form of grants, loans, equity investments, deposits, and technical assistance grants to new and existing community development financial institutions [CDFIs], through the CDFI program. CDFIs include community development banks, credit unions, venture capital funds, revolving loan funds, and microloan funds, among others. Recipient institutions engage in lending and investment for affordable housing, small business and community

development within underserved communities. The CDFI Fund administers the Bank Enterprise Award [BEA] Program, which provides a financial incentive to insured depository institutions to undertake community development finance activities. The CDFI Fund also administers the New Markets Tax Credit Program, a newly created program that will provide an incentive to investors in the form of a tax credit, which is expected to stimulate private community and economic development activities.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$70,000,000 for the CDFI Fund, which is \$4,512,000 below the fiscal year 2003 level and \$19,000,000 above the administration's request. The Committee is disappointed with the Administration's proposed reductions to CDFI and BEA. Both are important programs and play an important role in underserved communities.

The Committee also recommends a set-aside of \$5,000,000 for grants, loans, and technical assistance and training programs to benefit Native American, Alaskan Natives, and Native Hawaiian communities in the coordination of development strategies, increased access to equity investments, and loans for development activities. This amount is the same as the fiscal year 2003 enacted level. The Committee has included this set-aside in fiscal year 2004 because the Native American, Alaskan Natives, and Native Hawaiian communities have been historically underserved by CDFIs. The Committee directs the Fund to submit an update to its 5-year strategic plan to the Committee that outlines its efforts to improve the economic needs of Native Americans. This report is due to the Committee by April 20, 2004.

The Committee provides funds to restore proposed cuts to the financial assistance, technical assistance and Bank Enterprise Award programs. The Committee directs the CDFI Fund to make funds for financial assistance available to CDFIs regardless of their size and to continue the Small and Emerging CDFI Assistance program. The Committee is concerned about the Fund's new Hot Zones strategy which targets CDFI Program funding to distressed areas rather than to underserved populations. The Committee believes that the CDFI Fund should continue to provide capital to poor and underserved populations, regardless of the poverty rates for the surrounding area.

The Committee is concerned that the CDFI Fund's recent changes to Investment Areas distress criterion will negatively impact rural areas. CDFI no longer considers out-migration and population loss as criteria for determining Investment Areas eligible for CDFI Fund targeting. Between 1990 and 2000, nearly one-third of the nation's rural counties lost 10 percent of their population, contributing to a loss of businesses and high unemployment. Poverty and unemployment rates often appear relatively low in rural communities because low-income and employed residents move away. Thus, out-migration and population loss can be crucial distress indicators for rural America, and the Committee believes that CDFI must take these factors into account as separate eligibility criteria. As such, the Committee directs the CDFI Fund to restore out-mi-

gration and population loss as criteria in determining Investment Areas for fiscal year 2004.

The Committee remains concerned over the CDFI Fund's lack of data on its programs' outputs and outcomes. The Committee has difficulty making funding decisions for the Fund without an accurate accounting of the activities that the Fund has contributed to in low-income communities. The Committee recognizes that this has been a long-standing problem with the CDFI Fund, and urges the Administration to improve its monitoring systems. This is especially important now that the CDFI Fund will have administrative responsibilities for the New Markets Tax Credit Program.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$56,629,000 |
| Budget estimate, 2004 .....    | 60,000,000   |
| Committee recommendation ..... | 60,000,000   |

PROGRAM DESCRIPTION

The Commission is an independent regulatory agency that was established on May 14, 1973, and is responsible for protecting the public against unreasonable risks of injury from consumer products; assisting consumers to evaluate the comparative safety of consumer products; developing uniform safety standards for consumer products and minimizing conflicting State and local regulations; and promoting research and investigation into the causes and prevention of product-related deaths, illnesses, and injuries.

In carrying out its mandate, the Commission establishes mandatory product safety standards, where appropriate, to reduce the unreasonable risk of injury to consumers from consumer products; helps industry develop voluntary safety standards; bans unsafe products if it finds that a safety standard is not feasible; monitors recalls of defective products; informs and educates consumers about product hazards; conducts research and develops test methods; collects and publishes injury and hazard data, and promotes uniform product regulations by governmental units.

COMMITTEE RECOMMENDATION

The Committee recommends \$60,000,000 for the Consumer Product Safety Commission, equal to the budget request and an increase of \$3,371,000 above the fiscal year 2003 enacted level.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

|                                |                            |
|--------------------------------|----------------------------|
| Appropriations, 2003 .....     | <sup>1</sup> \$384,172,000 |
| Budget estimate, 2004 .....    | 597,742,000                |
| Committee recommendation ..... | 484,075,000                |

<sup>1</sup> Includes rescission of \$48,000,000.

GENERAL DESCRIPTION

The Corporation for National and Community Service, a Corporation owned by the Federal Government, was established by the National and Community Service Trust Act of 1993 (Public Law 103-

82) to enhance opportunities for national and community service and provide national service education awards. The Corporation makes grants to States, institutions of higher education, public and private nonprofit organizations, and others to create service opportunities for a wide variety of individuals such as students, out-of-school youth, and adults through innovative, full- and part-time national and community service programs. National service participants may receive education awards which may be used for full-time or part-time higher education, vocational education, job training, or school-to-work programs.

The Corporation is governed by a Board of Directors and headed by the Chief Executive Officer. Board members, the Chief Executive Officer, and the Chief Financial Officer are appointed by the President of the United States and confirmed by the Senate.

COMMITTEE RECOMMENDATION

The Committee recommends \$484,075,000 for the Corporation for National and Community Service, an increase of \$99,902,000 over the fiscal year 2003 enacted level and \$113,667,000 below the budget request.

In addition to the normal operating plan requirements as directed in this report, the Committee directs the Corporation to notify the Chair of the Committee prior to each reprogramming of funds in excess of \$100,000 between programs, activities, or elements.

NATIONAL AND COMMUNITY SERVICE PROGRAMS

OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

|  |               |
|--|---------------|
| Appropriations, 2003 <sup>1</sup> .....  | \$378,211,000 |
| Budget estimate, 2004 <sup>2</sup> ..... | 592,742,000   |
| Committee recommendation .....           | 452,575,000   |

<sup>1</sup> Includes \$20,367,000 for salaries and expenses.

<sup>2</sup> Includes \$21,600,000 for salaries and expenses.

PROGRAM DESCRIPTION

The National and Community Service programs operating expenses account funds all programs and activities authorized by the National and Community Service Act of 1993. This account covers two of the three main components to the AmeriCorps program (the AmeriCorps State and National, and AmeriCorps National Civilian Community Corps [NCCC]); Learn and Serve; Innovation, Demonstration, and Assistance activities (authorized under subtitle H); program administration for State commissions; audits and evaluations; and the Points of Light Foundation. Funding for AmeriCorps supports costs for volunteer stipends and education benefits. Education benefits are deposited into the National Service Trust, which provides a secure repository for education awards earned by eligible AmeriCorps members who successfully complete a term of service.

## COMMITTEE RECOMMENDATION

The Committee recommends \$452,575,000 for the Corporation's programs operating expenses. This appropriation provides \$340,000,000 for AmeriCorps (not including NCCC); \$43,000,000 for Learn and Serve; \$25,000,000 for NCCC; \$14,575,000 for subtitle H fund activities; \$12,000,000 for State administrative expenses; \$3,000,000 for audits and evaluations; \$5,000,000 for America's Promise; and \$10,000,000 for the Points of Light Foundation.

*AmeriCorps.*—The Committee recommends \$340,000,000 for AmeriCorps grants, National Direct and State funds, and education awards. This amount is \$66,787,000 above the fiscal year 2003 enacted level and \$93,242,000 below the budget request.

The Committee did not appropriate the full budget request level for the AmeriCorps program due to the new funding procedures implemented after the submission of the budget request last fall and the bill's requirement to reduce the Federal share of member costs. These new factors will allow the Corporation to support the same level of membership as requested but at a lower cost to the taxpayer. Therefore, the Committee's recommended funding level will support up to 75,000 new volunteers for the AmeriCorps program. Further, the Committee directs the Corporation to comply fully with the Inspector General's [IG] July 24, 2003 report recommendations and prohibits the expenditure of AmeriCorps funds until the IG has certified that the Corporation has complied fully with the IG's recommendations. In addition, the Committee has included report language under the salaries and expenses account that prohibits bonuses and salary increases for senior level management until the Corporation has complied fully with the IG's recommendations.

The Committee remains extremely concerned about the Corporation's mismanagement of the AmeriCorps program. Last year, the Corporation over-approved the AmeriCorps program by about 22,000 members resulting in a suspension of the program and the need for additional appropriated funds into the National Service Trust fund. More troubling to the Committee is the IG's recent finding in its July 24, 2003 report that the Corporation violated the Anti-Deficiency Act [ADA] by approving more AmeriCorps members than could be financially supported. According to the IG, the primary causes for the ADA violation were "inadequate oversight, flawed membership and financial reporting systems, job responsibilities for key personnel that were either not well-defined or adhered to, and a lack of effective communication among Corporation managers." The IG also found that the Corporation violated two provisions in its authorizing statute related to the National Service Trust.

The Committee recognizes and applauds the efforts of the Corporation, especially the Chief Financial Officer [CFO] and her staff, in addressing the management problems of the AmeriCorps program. However, the IG stated in his July 24, 2003 report that "internal control weaknesses still pose a threat to the financial integrity of the Corporation and the National Service Trust." Further, the IG stated that "Unless effectively addressed, these weaknesses could also result in future violations of the Anti-Deficiency Act."

Accordingly, the Committee has included restrictions on the expenditure of AmeriCorps funds to ensure that the Corporation complies with the law and demonstrates financial and management competency.

While the over-enrollment problems were initially created several years ago, the Corporation's senior leadership failed to respond to the problems in a timely manner. According to the Office of Inspector General [OIG], senior Corporation leadership was aware of the over-enrollment problems as far back as the summer of 2002. A senior Corporation manager informed the Corporation's leadership that "estimated enrollment could reach 58,000 by year end, and that down the line the Corporation would have to be sure the Trust had sufficient funds to handle the increased enrollments." This official sent subsequent messages to the Corporation's leadership about the over-enrollments. Despite warnings from staff, senior leadership including the CEO, the CEO's senior aide, the Chief Operating Officer, and the Director of AmeriCorps did not act. The Corporation acted after the new Chief Financial Officer assumed duties in November 2002 and enrollments to the AmeriCorps program were suspended.

When the Committee was first notified of the over-enrollment problem, the General Accounting Office [GAO] and the Corporation's Office of Inspector General [OIG] was contacted to examine fully the causes of the problem. The auditors found that the Corporation had violated its own authorizing legislation by approving more AmeriCorps positions than it could financially support. Further, GAO concluded that the Corporation did not comply with the law on recording its financial liabilities for the National Service Trust.

The auditors also identified several factors that led to the Corporation's incorrect accounting practice. The factors included inappropriate obligation practices, little or no communication among key Corporation executives, too much flexibility given to grantees regarding enrollments, and unreliable data on the number of AmeriCorps participants. The OIG noted a number of practices that violated the Corporation's own handbook rules including AmeriCorps program officers approving additional enrollments in excess of the originally approved levels.

The OIG also noted that the administration's fiscal year 2002 budget request contributed to the insolvency of the Trust fund to cover the AmeriCorps program liabilities by not requesting any funds for the Trust. According to the Corporation's own budget justifications for fiscal year 2002, no new budget authority was required in fiscal year 2002 because among other factors, it assumed a program budget based on "no growth in the number of AmeriCorps members in 2002" and an "assumption that AmeriCorps will remain at 48,000 members beyond 2002."

The Committee also notes that the administration's fiscal year 2003 budget for the AmeriCorps program proposed \$57,000,000 for the Trust fund to support 74,000 AmeriCorps members and to fund 8,000 high school scholarships.

To ensure that the Corporation was able to meet its commitments to the program and to ensure current level services for the AmeriCorps program, the Congress appropriated \$275,000,000 in

fiscal year 2003. This represented a \$35,500,000 increase over the fiscal year 2002 enacted level. In response to the Corporation's revised request, the conference committee designated \$100,000,000 to the Trust Fund to ensure solvency in the program and to allow the Corporation to enroll 50,000 new members in fiscal year 2003.

The administration subsequently requested and the Congress approved a deficiency appropriation of \$64,000,000 to fund previous years' commitments to the AmeriCorps program. This request was made after the administration realized that the Corporation had incorrectly calculated its legal liabilities for past enrollments. The Committee reminds the Corporation of the requirements attached to the fiscal year 2003 Emergency Wartime supplemental appropriations (Public Law 108-11) in which the funds were made contingent upon the submission of an Anti-Deficiency Act report to the Congress, which has yet to be submitted.

Further, the Congress passed an accounting correction bill (the Strengthen AmeriCorps Program Act) in June 2003 to remedy the Corporation's incorrect funding practices for the AmeriCorps programs. The Committee took these actions to ensure that the AmeriCorps program was maintained at current service levels despite the Corporation's mismanagement. However, the Committee still expects the Corporation to address fully the culture and management controls of the AmeriCorps programs to ensure that past failures do not reoccur.

The Committee has not designated a specific allocation for the National Service Trust fund to allow greater flexibility in the AmeriCorps program. The Committee, however, expects the Corporation to determine and designate a specific amount for the Trust consistent with its estimate of AmeriCorps members it expects to support in fiscal year 2004 and consistent with the funding formula requirements established under the Strengthen AmeriCorps Program Act of 2003 (Public Law 108-45). The Committee expects the Corporation to provide this detailed information in the operating plan and expects the operating plan to contain detailed information on its membership level estimates, Trust and program grant allocations, and details on its compliance with Public Law 108-45, including the assumptions used in its methodology for calculating service award liability.

The Committee directs the Corporation to provide monthly reports to the Committees on Appropriations and the Corporation's Inspector General on the actual and projected year-end level of AmeriCorps membership enrollment, usage, and earnings, and the financial status of the Trust fund (revenue, expenses, outstanding liabilities, reserve, etc.). Further, the Committee directs the Chief Executive Officer, the Director of AmeriCorps, and the Chief Financial Officer to certify that the information in these reports is accurate and independently verified. If the year-end projections are expected to exceed the levels that can be supported financially by the Corporation, the Committee expects the Corporation to take immediate corrective actions and notify the Committee.

Within the amount provided, the Committee is providing \$50,000,000 for national direct grantees. Further, the Committee is designating \$5,000,000 for national service scholarships for high school students and \$4,900,000 for the Promise Fellows program.

The Committee remains concerned about the Corporation's efforts to reduce grantee reliance on Federal funding and the Federal costs per program participant. The Committee reminds the Corporation that these goals have been a long-standing requirement in the VA-HUD bill. While the Committee appreciates the Corporation's sustainability report submitted last April, the Committee strongly believes that more aggressive measures must be taken by the Corporation to comply with the letter and spirit of the sustainability requirement. Accordingly, the Committee directs the Corporation to require sustainability as a criterion in its competitive grant programs and require organizations to provide information in its applications on all of its funding sources, including all Federal, other public, and private sources. Further, the Committee directs the Corporation to increase the matching requirements for those organizations that have received more than \$3,000,000 on average for the past 3 years. At a minimum, the Corporation should increase the match by 50 percent and consider an incremental increase in the match requirement on an annual basis. Further, the Committee directs the Corporation to publish in its fiscal year 2005 budget justifications a list of recipients that have received more than \$500,000 and the amount of other Federal and non-Federal funds that it received.

The Committee has also addressed the bill's long-standing requirement that the Corporation reduce the total Federal costs per participant by requiring the Corporation to reduce the costs by at least 10 percent in fiscal year 2004. Based on recent data from the Corporation, the Corporation spends about \$16,000 per AmeriCorps members for program and education award costs. The Committee strongly believes that the goal to reduce costs by 10 percent is achievable given the recent upsurge in private corporate interest in the AmeriCorps program. Further, the Committee has included bill language that shifts the education award only authority from the H fund to the regular AmeriCorps program account. This flexibility will allow the Corporation to fund more AmeriCorps members at a lower cost, consistent with its agreement established several years ago with Senator Grassley.

The Committee bill includes language that requires the Inspector General [IG] to conduct random audits of AmeriCorps grantees. The Committee included this provision because of continuing concerns over the lack of accountability and oversight in the AmeriCorps program. For example, two Corporation-funded programs in Terre Haute, Indiana, gave members credit for service that was inappropriate under the grants. These activities included life guarding, babysitting and cutting lawns. In this case, only one of 25 AmeriCorps members interviewed by the IG had completed the hours required to earn an education award. Nevertheless, all 25 AmeriCorps members were certified as having met the requirements for the education award. The Indiana Commission repaid \$237,000 to the Corporation.

While the IG has made progress in identifying and addressing examples of fraud and abuse, the Committee understands that the Corporation does not have the proper management information systems to track grants or ensure appropriate use and accountability. Because of the long-term nature of this problem, the Committee is



requiring the Inspector General to conduct random audits of the grantees that administer activities under the AmeriCorps programs and to debar any grantee that has been determined to have committed any substantial violations of the requirements of the AmeriCorps programs, including any grantee that has been determined to have violated the prohibition of using Federal funds to lobby the Congress. The Committee directs the IG to audit all grantees at least once over the next 5 years and report to Congress annually on all audits. The Committee also directs the IG to include in the audits for the first year all the nonprofits that are in the top 10 percent of the grantees receiving the largest AmeriCorps grants.

The Committee encourages the Corporation to support volunteers or organizations that mobilize unpaid volunteers for community activities. In other words, by moving away from “retail” activities to “wholesale” activities, the Corporation could expand its reach to more citizens who wish to respond to the call to service.

Within the amount provided, the Committee directs the Corporation to continue at least the current level of support for programs designed to help teach children to read by the third grade and for activities dedicated to developing computer and information technology skills for students and teachers in low-income communities. Further, the Committee directs the Corporation to support activities designed to assist the needs of veterans, especially homeless veterans.

*Innovation, Demonstration.*—The Committee recommends \$14,575,000 for innovation, demonstration, and assistance activities. Within this amount, the Committee recommends \$5,000,000 for challenge grants; \$2,000,000 for next generation grants; \$500,000 for Martin Luther King Jr. Day grants; \$100,000 for the Fellowship program; \$300,000 for Freedom scholarships; \$250,000 for faith-based activities; \$725,000 for Service Learning Clearinghouse and Exchange; \$2,000,000 for training and technical assistance; and \$4,000,000 for disability programs. The Committee has not funded activities that serve other Federal agencies and offices. The Committee expects the administration to fund those activities from the relevant agencies and offices and establish appropriate transfer authority in cases where the Corporation is administering programs on the agency’s behalf.

The Committee directs the Corporation to comply with the challenge grant funding requirements established under the conference report accompanying the Consolidated Appropriations Resolution, 2003.

*NCCC.*—The Committee recommends \$25,000,000 for the National Civilian Community Corps [NCCC]. This is the same funding level as provided in fiscal year 2003.

*Learn and Serve.*—The Committee recommends \$43,000,000 for school-based and community-based service learning programs. This is the same funding level as provided in fiscal year 2003.

*State Administration.*—The Committee recommends \$12,000,000 for State commission administrative expenses. The Committee directs the Corporation to address immediately the management problems identified by the Office of Inspector General. The Committee strongly urges the Corporation to withhold additional grant

awards to those State commissions that have not taken corrective actions in response to the OIG audits.

*Audits and Evaluations.*—The Committee recommends \$3,000,000 for audits and evaluations. Of the funds provided for audits and evaluations, the Committee has provided \$2,000,000 to evaluate and conduct performance measurement audits of the AmeriCorps program.

The Committee appreciates the Corporation’s recent efforts to develop a performance measurement system to assess the impact of the AmeriCorps program. Nevertheless, to date, the Corporation is unable to provide performance data on neither the impact of AmeriCorps nor the actual costs of the program. As noted in the administration’s Program Assessment Rating Tool [PART], the AmeriCorps program received an overall weighted score of 36 percent and a rating of “results not documented.” The PART analysis found that the AmeriCorps program’s current goals are neither specific nor measurable and the Corporation is unable to track program outcomes and use this information to shape funding decisions. The Committee directs the Corporation to submit a report to the Committee by no later than February 21, 2004 on its efforts to address its performance measurements weaknesses.

In addition, the Committee has allocated \$1,000,000 for a contract with the National Academy of Public Administration [NAPA] to conduct a comprehensive review of the leadership, operations and management of the Corporation. The Committee expects NAPA to pursue those areas within this broad framework that, in its judgment, warrant review. However, the Committee is particularly interested in the areas of financial management, field and headquarters organization structure, business processes, grant program structure and operations, human resources management, and interactions with involved State and local entities and other stakeholders. The Committee directs the Corporation to award this contract within 3 months of the enactment of this bill, and directs NAPA to issue a final report no later than 12 months after the signing of the contract.

*Points of Light.*—The Committee recommends \$10,000,000 for the Points of Light Foundation. Of the amounts provided, the Foundation may set-aside \$2,500,000 for its endowment fund.

*America’s Promise.*—The Committee recommends \$5,000,000 for America’s Promise.

SALARIES AND EXPENSES

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | (1)          |
| Budget estimate, 2004 .....    | (1)          |
| Committee recommendation ..... | \$25,000,000 |

<sup>1</sup> These funds were included under the program account.

PROGRAM DESCRIPTION

The salaries and expenses appropriation provides funds for staff salaries, benefits, travel, training, rent, advisory and assistance services, communications and utilities expenses, supplies, equipment, and other operating expenses necessary for management of the Corporation’s activities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$25,000,000 for salaries and expenses. The Committee reiterates the directive under the program account that the Corporation must fund all staffing needs from the salaries and expenses account. Within the amount provided, the Committee directs the Corporation to fund those staff positions that the Corporation previously funded within subtitle H authorities. This past practice by the Corporation was an inappropriate use of Innovation funding. The Committee has consolidated all salaries and expenses under this new account to improve accountability and transparency to these activities. Under this account, the Committee has provided \$18,300,000 for salaries and benefits, \$400,000 for travel, \$2,300,000 for technology, \$2,000,000 for other administrative expenses (rent, supplies, equipment, etc.), and \$2,000,000 for the Office of Chief Financial Officer for purposes of addressing the Corporation’s management problems. The Committee directs the Office of Chief Financial Officer to control and oversee the allocation and expenditure of funds under this account, including all salary increases and bonuses. The Committee also prohibits the Corporation from providing bonuses or salary increases to senior level managers unless the IG certifies that the Corporation has complied with the recommendations in the IG’s July 24, 2003 National Service Trust report. Further, the Committee directs the Corporation to provide a breakdown of funds under this account by office and activity in its fiscal year 2005 budget justification.

The Committee is aware of and deeply troubled by long-standing problems with the Corporation’s Alternative Personnel System [APS]. A recent Inspector General [IG] investigation of the APS identified and confirmed many problems with the Corporation’s administration of the APS, including but not limited to: the Corporation’s longstanding practice of failing to adequately budget for employee raises; the lack of clarity in the system, which leads to confusion among managers and employees; and the Corporation’s failure to negotiate a competitive status agreement with the Office of Personnel Management [OPM]. The Corporation is directed to report within 60 days of this bill’s enactment on measures taken to address the concerns identified by the IG and to implement the IG’s recommendations.

OFFICE OF INSPECTOR GENERAL

|                                |             |
|--------------------------------|-------------|
| Appropriations, 2003 .....     | \$5,961,000 |
| Budget estimate, 2004 .....    | 5,000,000   |
| Committee recommendation ..... | 6,500,000   |

PROGRAM DESCRIPTION

The Office of Inspector General within the Corporation for National and Community Service is authorized by the Inspector General Act of 1978, as amended. The goals of the Office are to increase organizational efficiency and effectiveness and to prevent fraud, waste, and abuse. The Office of Inspector General within the Corporation for National and Community Service was transferred

to the Corporation from the former ACTION agency when ACTION was abolished and merged into the Corporation in April 1994.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$6,500,000 for the Office of Inspector General [OIG]. This amount is \$1,500,000 above the budget request and \$539,000 above the fiscal year 2003 enacted level. The Committee is providing additional funds to support the OIG's review and audit of the Corporation's grant management and oversight activities due to the continuing problems ranging from inadequate record-keeping, to improper counting of service hours by AmeriCorps members and programs, to fraud and abuse.

The Committee directs the OIG to continue reviewing the Corporation's management of the National Service Trust fund. The Committee is primarily interested in the Corporation's efforts to address its accounting procedures and obligation practices. The Committee directs the OIG to review the monthly Trust reports and to notify the Committees on Appropriations on the accuracy of the reports.

The Committee is aware of concerns raised about the Corporation's administration of the 2003 AmeriCorps grant process, and directs the IG to audit the process and report to the Committee by February 6, 2004.

ADMINISTRATIVE PROVISIONS

The Committee has included two administrative provisions carried in prior year appropriations acts.

U.S. COURT OF APPEALS FOR VETERANS CLAIMS

SALARIES AND EXPENSES

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$14,233,000 |
| Budget estimate, 2004 .....    | 16,220,000   |
| Committee recommendation ..... | 16,220,000   |

PROGRAM DESCRIPTION

The Court of Appeals for Veterans Claims was established by the Veterans' Judicial Review Act. The court is an independent judicial tribunal with exclusive jurisdiction to review decisions of the Board of Veterans' Appeals. It has the authority to decide all relevant questions of law; interpret constitutional, statutory, and regulatory provisions; and determine the meaning or applicability of the terms of an action by the Department of Veterans Affairs. It is authorized to compel action by the Department unlawfully withheld or unreasonably delayed. It is authorized to hold unconstitutional or otherwise unlawful and set-aside decisions, findings, conclusions, rules and regulations issued or adopted by the Department of Veterans Affairs or the Board of Veterans' Appeals.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$16,220,000 for the Court of Appeals for Veterans claims, an increase of \$1,987,000 above the fiscal year 2003 enacted level.

DEPARTMENT OF DEFENSE—CIVIL  
CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$32,234,000 |
| Budget estimate, 2004 .....    | 25,961,000   |
| Committee recommendation ..... | 32,000,000   |

PROGRAM DESCRIPTION

Responsibility for the operation of Arlington National Cemetery and Soldiers' and Airmen's Home National Cemetery is vested in the Secretary of the Army. As of September 30, 2002, Arlington and Soldiers' and Airmen's Home National Cemeteries contained the remains of 295,799 persons and comprised a total of approximately 652 acres. There were 4,022 interments and 2,283 inurnments in fiscal year 2002; 2,283 interments and 2,700 inurnments are estimated for the current fiscal year; and 3,925 interments and 2,775 inurnments are estimated for fiscal year 2004.

COMMITTEE RECOMMENDATION

The Committee recommends \$32,000,000 for the Army's cemeterial expenses. This amount is \$6,039,000 above the budget request and \$234,000 below the fiscal year 2003 enacted level. The Committee has provided additional funds to accelerate Arlington Cemetery's data automation project, to address the Cemetery's distressed headstones, and to continue developing phase II of project 90.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

NATIONAL INSTITUTES OF HEALTH

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$83,528,000 |
| Budget estimate, 2004 .....    | 78,774,000   |
| Committee recommendation ..... | 78,774,000   |

PROGRAM DESCRIPTION

The National Institute of Environmental Health Sciences, an agency within the National Institutes of Health, was authorized in section 311(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, to conduct multidisciplinary research and training activities associated with the Nation's Hazardous Substance Superfund program, and in section 126(g) of the Superfund Amendments and Reauthorizations Act of 1986, to conduct training and education of workers who are or may be engaged in activities related to hazardous waste removal or containment or emergency response.

COMMITTEE RECOMMENDATION

The Committee recommends \$78,774,000 for the National Institute of Environmental Health Sciences, which is the same as the

budget request and \$4,754,000 below the fiscal year 2003 enacted level.

AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY  
TOXIC SUBSTANCES AND ENVIRONMENTAL PUBLIC HEALTH

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$82,262,000 |
| Budget estimate, 2004 .....    | 73,467,000   |
| Committee recommendation ..... | 73,467,000   |

PROGRAM DESCRIPTION

The Agency for Toxic Substances and Disease Registry [ATSDR], an agency of the Public Health Service, was created in section 104(i) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980. The ATSDR's primary mission is to conduct surveys and screening programs to determine relationships between exposure to toxic substances and illness. Other activities include the maintenance and annual update of a list of hazardous substances most commonly found at Superfund sites, the preparation of toxicological profiles on each such hazardous substance, consultations on health issues relating to exposure to hazardous or toxic substances, and the development and implementation of certain research activities related to ATSDR's mission.

COMMITTEE RECOMMENDATION

The Committee recommends \$73,467,000 for the Agency for Toxic Substances and Disease Registry [ATSDR], which is the same as the budget request and \$8,795,000 below the fiscal year 2003 enacted level. The ATSDR is directed to assess the level of lead poisoning of families, especially children, at the Tar Creek Superfund site in Oklahoma. A report to Congress on this assessment is due no later than July 31, 2004.

ENVIRONMENTAL PROTECTION AGENCY

|                                |                 |
|--------------------------------|-----------------|
| Appropriations, 2003 .....     | \$8,078,062,000 |
| Budget estimate, 2004 .....    | 7,630,538,000   |
| Committee recommendation ..... | 8,182,718,000   |

GENERAL DESCRIPTION

The Environmental Protection Agency [EPA] was created through Executive Reorganization Plan No. 3 of 1970 designed to consolidate certain Federal Government environmental activities into a single agency. The plan was submitted by the President to the Congress on July 8, 1970, and the Agency was established as an independent agency in the executive branch on December 2, 1970, by consolidating 15 components from 5 departments and independent agencies.

A description of EPA's pollution control programs by media follows:

*Air.*—The Clean Air Act Amendments of 1990 authorize a national program of air pollution research, regulation, prevention, and enforcement activities.

*Water Quality.*—The Federal Water Pollution Control Act, as amended, provides the framework for protection of the Nation's

surface waters. The law recognizes that it is the primary responsibility of the States to prevent, reduce, and eliminate water pollution. The States determine the desired uses for their waters, set standards, identify current uses and, where uses are being impaired or threatened, develop plans for the protection or restoration of the designated use. They implement the plans through control programs such as permitting and enforcement, construction of municipal waste water treatment works, and nonpoint source control practices. The CWA also regulates discharge of dredge or fill material into waters of the United States, including wetlands.

*Drinking Water.*—The Safe Drinking Water Act of 1974, as amended in 1996, charges EPA with the responsibility of implementing a program to assure that the Nation's public drinking water supplies are free of contamination that may pose a human health risk, and to protect and prevent the endangerment of ground water resources which serve as drinking water supplies.

*Hazardous Waste.*—The Resource Conservation and Recovery Act of 1976 mandated EPA to develop a regulatory program to protect human health and the environment from improper hazardous waste disposal practices. The RCRA Program manages hazardous wastes from generation through disposal.

EPA's responsibilities and authorities to manage hazardous waste were greatly expanded under the Hazardous and Solid Waste Amendments of 1984. Not only did the regulated universe of wastes and facilities dealing with hazardous waste increase significantly, but past mismanagement practices, in particular prior releases at inactive hazardous and solid waste management units, were to be identified and corrective action taken. The 1984 amendments also authorized a regulatory and implementation program directed to owners and operators of underground storage tanks.

*Pesticides.*—The objective of the Pesticide Program is to protect the public health and the environment from unreasonable risks while permitting the use of necessary pest control approaches. This objective is pursued by EPA under the Food Quality Protection Act, the Federal Insecticide, Fungicide, and Rodenticide Act and the Federal Food, Drug, and Cosmetic Act through three principal means: (1) review of existing and new pesticide products; (2) enforcement of pesticide use rules; and (3) research and development to reinforce the ability to evaluate the risks and benefits of pesticides.

*Radiation.*—The radiation program's major emphasis is to minimize the exposure of persons to ionizing radiation, whether from naturally occurring sources, from medical or industrial applications, nuclear power sources, or weapons development.

*Toxic Substances.*—The Toxic Substances Control Act establishes a program to stimulate the development of adequate data on the effects of chemical substances on health and the environment, and institute control action for those chemicals which present an unreasonable risk of injury to health or the environment. The act's coverage affects more than 60,000 chemicals currently in commerce, and all new chemicals.

*Multimedia.*—Multimedia activities are designed to support programs where the problems, tools, and results are cross media and must be integrated to effect results. This integrated program en-

compasses the Agency’s research, enforcement, and abatement activities.

*Superfund.*—The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 established a national program to protect public health and the environment from the threats posed by inactive hazardous waste sites and uncontrolled spills of hazardous substances. The original statute was amended by the Superfund Amendments and Reauthorization Act of 1986. Under these authorities, EPA manages a hazardous waste site cleanup program including emergency response and long-term remediation.

*Leaking Underground Storage Tanks.*—The Superfund Amendments and Reauthorization Act of 1986 established the leaking underground storage tank [LUST] trust fund to conduct corrective actions for releases from leaking underground storage tanks that contain petroleum or other hazardous substances. EPA implements the LUST response program primarily through cooperative agreements with the States.

COMMITTEE RECOMMENDATION

The Committee recommends a total of \$8,182,718,000 for EPA. This is an increase of \$552,180,000 above the budget request and an increase of \$104,656,000 above the fiscal year 2003 enacted level.

The Agency is directed to notify the Committee prior to each reprogramming in excess of \$500,000 between objectives, when those reprogrammings are for different purposes. The exceptions to this limitation are as follows: (1) for the “Environmental Programs and Management” account, Committee notification is required at \$500,000; Committee approval is required only above \$1,000,000; and (2) for the “State and tribal assistance grants” account, reprogramming of performance partnership grant funds is exempt from this limitation.

The Committee supports the overall funding level in the President’s Budget Request for homeland security within EPA of some \$123,000,000 for fiscal year 2004, including \$50,793,000 in Science and Technology, \$18,754,000 in Environmental Program Management, \$37,021,000 in Superfund, \$5,000,000 in State and Tribal Assistance Grants, and \$11,500,000 in Buildings and Facilities. In particular, the Committee directs the Agency to provide by March 31, 2004 a full accounting regarding how these funds have been or will be invested and how the use of these funds will be coordinated within the national strategy being implemented by the Department of Homeland Security.

The Committee directs EPA to round all programs to the nearest thousand dollar and requests that the budget submission for fiscal year 2005 propose funding at no less than the nearest thousand dollar.

SCIENCE AND TECHNOLOGY

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$715,579,000 |
| Budget estimate, 2004 .....    | 731,483,000   |
| Committee recommendation ..... | 715,579,000   |



## PROGRAM DESCRIPTION

EPA's "Science and technology" account provides funding for the scientific knowledge and tools necessary to support decisions on preventing, regulating, and abating environmental pollution and to advance the base of understanding on environmental sciences. These efforts are conducted through contracts, grants, and cooperative agreements with universities, industries, other private commercial firms, nonprofit organizations, State and local government, and Federal agencies, as well as through work performed at EPA's laboratories and various field stations and field offices. In addition, Hazardous Substance Superfund Trust Fund resources are transferred to this account directly from the Hazardous Substance Superfund.

## COMMITTEE RECOMMENDATION

The Committee recommends \$715,579,000 for science and technology, \$15,904,000 below the budget request and the same as the enacted level. In addition, the Committee recommends the transfer of \$45,000,000 from the Superfund account, for a total of \$760,579,000 for science and technology.

The Committee supports the budget request for the Office of Enforcement and Compliance Assurance [OECA] activities within the Science and Technology.

The Committee recommends the transfer of \$45,000,000 to "Science and Technology" from the "Hazardous Substance Superfund" account for ongoing research activities in a manner consistent with the intent of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended.

The Committee recommends the following changes to the budget request:

- \$5,000,000 for particulate matter, for a total of \$35,000,000, an increase of \$4,914,000 above the 2003 level;
- \$5,000,000 for communicating information research, for a total of \$10,743,000, an increase of \$835,000 above the 2003 level;
- \$10,000,000 for research to support emerging issues, for a total of \$31,471,000, an increase of \$2,320,000 above the 2003 level;
- \$40,678,600 as a general reduction, subject to normal re-programming guidelines;
- + \$1,500,000 for the Centers for Children's Environmental Health and Disease Prevention Research, for a total of \$7,500,000, equal to the 2003 level;
- + \$4,875,000 for the STAR fellowship program, for a total of \$9,750,000, equal to the 2003 level;
- + \$5,000,000 for small system arsenic removal research, for a total of \$11,700,000, equal to the 2003 level. The Committee directs EPA to report by April 7, 2004, on the current status of the demonstrations to implement low-cost treatment technology for arsenic removal, including benchmarks and targets for continued implementation of these technologies.

In addition, the Committee recommends the following increases to the budget request:

- + \$3,600,000 for the American Water Works Association Research Foundation;

- + \$3,600,000 for the Water Environment Research Foundation;
- + \$600,000 for a National Academy of Sciences study of the health risks to children from residential lead contamination;
- + \$500,000 for the New England Green Chemistry Consortium;
- + \$500,000 for the Consortium for Plant Biotechnology Research;
- + \$750,000 for the Integrated Public/Private Energy and Environmental Consortium [IPEC] to develop cost-effective environmental technology, improved business practices, and technology transfer for the domestic petroleum industry;
- + \$1,000,000 for the National Environmental Respiratory Center at the Lovelace Respiratory Research Institute;
- + \$3,900,000 for the Mine Waste Technology Program at the National Environmental Waste Technology, Testing, and Evaluation Center;
- + \$500,000 for the Center for the Study of Metals in the Environment;
- + \$1,200,000 for the Center for Air Toxic Metals at the Energy and Environmental Research Center;
- + \$750,000 for Clean Air Counts of Northeastern Illinois to develop an innovative and cost effective method to reduce smog-causing emissions in the Chicago metropolitan region. The funding will provide support for an ongoing partnership involving EPA, the Metropolitan Mayors Caucus, Illinois EPA, and the Delta Institute;
- + \$1,500,000 for the Connecticut River Airshed-Watershed Consortium;
- + \$250,000 for acid rain research at the University of Vermont;
- + \$100,000 for the University of Vermont's Proctor Maple Research Center to continue mercury deposition monitoring effects;
- + \$100,000 for the University of Vermont's land use mapping initiative;
- + \$200,000 for the Vermont Department of Agriculture to work with conservation districts and local communities to reduce nonpoint source run-off in the Allen Brook watershed;
- + \$425,000 for the Southwest Clean Air Quality Agency's Columbia Gorge Air Quality Technical Foundation Study;
- + \$400,000 for the Clark County Department of Air Quality Management/Desert Research Institute in Nevada for the ozone transport monitoring project;
- + \$400,000 to demonstrate containment and disposal technologies associated with the Arnold Heights project in California;
- + \$425,000 for Southeastern Louisiana University for the Turtle Cove research station;
- + \$1,000,000 for the National Jewish Medical and Research Center in Colorado;
- + \$300,000 for Utah State University for monitoring and assessment activities related to freshwater ecosystems;
- + \$1,000,000 for the Houston Advanced Research Center and the University of Texas Air Quality Study;
- + \$750,000 for the Mickey Leland Urban Air Toxics Research Center;

- + \$1,000,000 for the University of South Alabama for the Center for Estuarine Research;
- + \$2,000,000 for an air quality program for Anchorage, Alaska;
- + \$800,000 for Ohio University's Air Quality Center to develop an advanced modeling program on air quality issues in the Ohio River valley region;
- + \$1,000,000 to the Donald Danforth Plant Science Center in Missouri for a Parasitic Nematode Controls research project;
- + \$500,000 to the Donald Danforth Plant Science Center in Missouri for the development of technologies for environmental phytoremediation and the development of technologies for extending the environmentally safe use of biotechnology for phytoremediation, and for the production of novel materials and compounds in plants;
- + \$800,000 for Montec Research in Butte, Montana to research pilot scale enzyme catalyzed processes;
- + \$750,000 for the Frank M. Tejada Center for Excellence in Environmental Operations at Texas A&M;
- + \$800,000 for the University of Northern Iowa for new environmental technologies for small businesses;
- + \$1,000,000 for the Alabama Department of Environmental Management for the Alabama Water and Wastewater Training Program;
- + \$1,000,000 for the Desert Research Institute for western Nevada regionally-based clean water activities.

The Committee urges the EPA Office of Research and Development to continue with the research, development and validation of new and revised, alternative chemical screening and prioritization methods which reduce, refine or replace animal studies (such as rapid, non-animal screens and Quantitative Structure Activity Relationships [QSAR]) for potential inclusion in EPA's current and future relevant chemical evaluation programs. These activities shall be designed in consultation with EPA's Office of Pollution Prevention and Toxic Substances.

The EPA is directed to contract with the National Research Council [NRC] to conduct a study to develop a research agenda for interpreting human biomonitoring data. The study should identify the key uncertainties in estimating the exposure, health effects and human risks potentially associated with biomonitoring data and propose research to address these uncertainties. The report should include approaches to improve the future collection of biomonitoring data so that the data is more useful for health risk evaluations.

The Committee continues to be concerned about whether there are significant health and safety risks related to CCA-treated consumer products, including playground equipment, decks, mulch, picnic tables, walkways/boardwalks, landscaping timers and fences. In a February 2002 report required by the Committee, EPA informed the Committee that the Agency is currently conducting a risk assessment of CCA-treated consumer products. More than a year later, that risk assessment has not been completed; and, significantly, the Consumer Product Safety Commission [CPSC] has completed a report on the risks posed to children and documented that CCA-treated wood playground equipment will lead to as many

as from 2 children to 100 children out of 1,000,000 being at risk of becoming ill from bladder and/or lung cancer. For these reasons, the Committee directs the Agency to complete its risk assessment by October 31, 2003, and directs the CPSC to commence final hearings on its study's finding.

With regard to the Agency's risk assessment, the Committee expects this assessment to include concrete findings and conclusions about whether there are significant health and safety risks of CCA-treated wood products. The Committee also expects the assessment to include recommendations on ways to mitigate potential risks, and any Agency's plans, as determined necessary, to conduct public education to ensure that consumers, local governments, and school systems are aware of potential risks and ways to mitigate them.

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

|                                |                 |
|--------------------------------|-----------------|
| Appropriations, 2003 .....     | \$2,097,879,000 |
| Budget estimate, 2004 .....    | 2,219,659,000   |
| Committee recommendation ..... | 2,219,659,000   |

PROGRAM DESCRIPTION

The Agency's "Environmental programs and management" account includes the development of environmental standards; monitoring and surveillance of pollution conditions; direct Federal pollution control planning; technical assistance to pollution control agencies and organizations; preparation of environmental impact statements; enforcement and compliance assurance; and assistance to Federal agencies in complying with environmental standards and insuring that their activities have minimal environmental impact. It provides personnel compensation, benefits, and travel and other administrative expenses for all agency programs except hazardous substance Superfund, LUST, Science and Technology, Oil Spill Response, and OIG.

COMMITTEE RECOMMENDATION

The Committee recommends \$2,219,659,000 for environmental programs and management, the same as the budget request and \$121,780,000 above the fiscal year 2003 enacted level.

The Committee supports the budget request for the Office of Enforcement and Compliance Assurance [OECA] activities within the Environmental Programs and Management Account which would fund 100 FTEs over the fiscal year 2003 funding level.

The Committee strongly supports the EPA Brownfields program at the Budget Request of \$30,000,000 within this account. The Committee notes that the inclusion of these funds in conjunction with funding of \$160,500,000 in the States and Tribal Assistance Grants account for Brownfields activities results in a total of \$190,500,000 being available for Brownfields activities in fiscal year 2004.

The Committee directs the following funding levels for programs in this account:

\$5,500,000 for Environmental Justice which is the same as the budget request and approximately the same as the 2003 program level;

\$19,500,000 for the National Estuary program which is approximately the budget request;

\$50,300,000 for the Energy Star program which is the budget request;

\$33,500,000 for Regulatory Development;

\$10,000,000 for the Great Lakes Legacy Act program which is \$5,000,000 less than the budget request and \$10,000,000 more than the 2003 program level;

\$14,000,000 for RCRA Waste Reduction;

\$9,000,000 for Environmental Education. This program was eliminated in the budget request;

\$20,000,000 for Data Standards which is a reduction of \$3,270,800 from the budget request and \$17,489,700 more than the fiscal year 2003 level;

\$25,000,000 for Data Management which is a reduction of \$1,299,200 from the budget request and an increase of \$5,810,600 more than the fiscal year 2003 level;

\$43,000,000 for Drinking Water implementation;

\$26,000,000 for Drinking Water regulations;

\$10,000,000 for Geospatial;

\$45,000,000 for Information Technology Management;

\$120,000,000 for Management Services and Stewardship;

\$38,000,000 for Regional Management which is a reduction of \$1,311,100 from the budget request and an increase of \$6,000,000 over the fiscal year 2003 level.

The Committee recommends a general reduction of \$42,020,300, subject to normal reprogramming requirements.

The Committee recommends the following changes to the budget request:

+ \$16,000,000 for rural water technical assistance activities and groundwater protection, including \$9,000,000 for the National Rural Water Association, \$3,500,000 for Rural Community Assistance Program, \$750,000 for the Ground Water Protection Council, \$750,000 for the Water Systems Council to assist in the effective delivery of water to rural citizens nationwide, and \$2,000,000 for the source water protection program;

+ \$2,000,000 for NRWA to assist small water systems to conduct vulnerability assessments;

+ \$2,000,000 for EPA's National Computing Center to provide for remote mirroring of all critical information and related systems to achieve a Continuation of Operations [COOP]/Disaster Recovery Capability;

+ \$5,000,000 for America's Clean Water Foundation for implementation of on-farm environmental assessments for livestock operations;

+ \$2,000,000 for the Coeur d'Alene Basin commission to continue a program for environmental response, natural resource restoration and related activities;

+ \$2,500,000 for the Southwest Center for Environmental Research and Policy;

+ \$4,000,000 for the Small Public Water System Technology Centers at Western Kentucky University, the University of New Hampshire, the University of Alaska-Sitka, Pennsylvania State University, the University of Missouri-Columbia, Montana

- State University, the University of Illinois, and Mississippi State University;
- + \$500,000 for the Kenai River Center in Kenai, Alaska;
  - + \$500,000 for the State of New Hampshire for the New Hampshire Estuaries Project;
  - + \$3,000,000 for the University of Oklahoma for surface water treatment, monitoring and environmental remediation of mine-waste tailings in the Tar Creek and Spring Creek watersheds in Ottawa County, Oklahoma;
  - + \$1,000,000 shall be made available to the State of Alaska to conduct a mercury testing program on seafood;
  - + \$2,000,000 for EPA Regional 10 for environmental compliance;
  - + \$500,000 for the New Hampshire Department of Environmental Services for a milfoil and invasive species removal program;
  - + \$1,000,000 for the University of Nebraska-Lincoln for the development of innovative cleanup technologies for environmental contamination of soil and water;
  - + \$500,000 for University of Louisville Center for Infrastructure Research in Kentucky for research of ways to address problems caused by obsolete designs, aging facilities and growing demands on water, wastewater and sewer infrastructure;
  - + \$500,000 for the Western Kentucky University Center for Wastewater Research for research on wastewater and management issues;
  - + \$1,000,000 for the Watershed of the Ozarks in Missouri for the Valley Mill Watershed Project;
  - + \$1,000,000 for the University of Missouri at Columbia for the Innovative Technologies for Nutrient Management Project;
  - + \$1,000,000 for the Missouri Pork Producers Association for the development of environmental processes for agricultural producer certifications;
  - + \$450,000 for the Village of Questa, New Mexico for an impact study on the quality of groundwater and surface water sources and for costs related to mine reclamation;
  - + \$750,000 for the Ohio River Valley Water Sanitation Commission to complete a riverwide TMDL review of Dioxin and PCBs;
  - + \$750,000 for wellcare funding for Ohio's Water System Council;
  - + \$2,000,000 for Chesapeake Bay small watershed grants. The Committee expects that the funds provided for this program, managed by the Fish and Wildlife Foundation, shall be used for community-based projects including those that design and implement on-the-ground and in-the-water environmental restoration or protection activities to help meet Chesapeake Bay Program goals and objectives. This increase will result in a total of \$22,777,700 available in fiscal year 2004 for the Chesapeake Bay Program, which is \$126,000 above the fiscal year 2003 program level;
  - + \$1,500,000 for the Lake Champlain Basin Program, for a total program level of \$2,455,000;
  - + \$1,825,000 for the Long Island Sound Program, for a total program level of \$2,302,000;
  - + \$750,000 for the Lake Pontchartrain Basin Foundation for Lake Pontchartrain water quality improvement projects;

- + \$250,000 for the Maryland Bureau of Mines for an acid mine drainage remediation project;
- + \$1,000,000 for projects demonstrating the benefits of Low Impact Development along the Anacostia Watershed in Prince Georges County, Maryland, including \$500,000 for storm drains and trash traps;
- + \$250,000 for the Midwest Technology Assistance Center at the University of Illinois;
- + \$500,000 for the Sacramento Regional County Sanitation District for toxic pollutant control;
- + \$500,000 for the Center for Agricultural and Rural Development at Iowa State University for the Resource and Agricultural Policy Systems program;
- + \$500,000 for the Small Business Pollution Prevention Center at the University of Northern Iowa;
- + \$500,000 for the painting and coating assistance initiative through the University of Northern Iowa;
- + \$500,000 for the Department of Water Supply, County of Maui, Hawaii for the upcountry Maui lead-water reduction plan;
- + \$250,000 for the Economic Development Alliance of Hawaii promote biotechnology to reduce pesticide use;
- + \$400,000 for the County of Hawaii and the Hawaii Island Economic Development Board for community-based waste recycling and reuse system;
- + \$200,000 for the Milwaukee Community Services Corps for a phytoremediation treatability plan;
- + \$300,000 for the Great Lakes Indian and Wildlife Commission;
- + \$250,000 for the Northwest Straits Commission for Washington State University's beach watchers program;
- + \$500,000 for the Columbia Basin Groundwater Management Area;
- + \$350,000 for the Northwest Indian Fisheries Commission tribal water quality program;
- + \$300,000 for the Walker Lake Working Group in Nevada for scientific, analytical, and other technical assistance to evaluate solutions for the restoration of Walker Lake;
- + \$200,000 to the Walker Lake Paiute Tribe to conduct environmental remediation of ordnance and other toxic materials on tribal lands;
- + \$325,000 for the Shoshone-Paiute Tribe for an environmental characterization study of mine drainage on the Owybee River, riparian areas, and other areas on the Tribe's Duck Valley Reservation;
- + \$750,000 for the University of West Florida's PERCH program;
- + \$200,000 for pollution prevention of Wreck Pond and nearby beaches in Spring Lake, New Jersey;
- + \$250,000 for a storm water research initiative at the University of Vermont;
- + \$500,000 for New Bedford, Massachusetts, for environmental education and science programs;
- + \$250,000 for the North Carolina Rural Center for statewide planning and technical assistance;
- + \$200,000 for the Northeast Waste Management Officials Association [NEWMOA];

- + \$200,000 for the Northeast States for Coordinated Air Use Management [NESCAUM];
- + \$2,000,000 for the National Alternative Fuels Training Consortium; and
- + \$500,000 for the Clinton River Watershed Initiative in Michigan.

The Great Lakes Legacy Act, enacted in November 2002, authorizes appropriations for remediation of sediment contamination in the Great Lakes ecosystem. The Committee strongly encourages EPA to promulgate rules implementing this program before the end of fiscal year 2004.

The Agency is directed to continue to provide the current level of support for water quality monitoring along the New York-New Jersey shoreline.

The Committee notes that in 2000 the United States Circuit Court of Appeals for the District of Columbia held that EPA was improperly regulating recycling by using an overly broad definition of “discarded material.” The Committee encourages EPA to promulgate a rule in fiscal year 2004, revising the regulation of recycling under 40 CFR Part 261, by limiting the definition of “discarded material” to materials that are “disposed of, abandoned or thrown away”, not those materials that are legitimately and safely recycled, reclaimed or reused. The Committee also supports EPA’s work to examine the effectiveness of the current comparable fuel program to supplement domestic energy sources with industrial materials, and encourages EPA to promulgate a rule in fiscal year 2004 allowing additional industrial materials to be safely used as fuels.

The Committee includes full funding for the Endocrine Disruptor Screening program [EDSP]. These funds are critical to ensuring that the proposed screens and tests for this program are adequately validated prior to the EPA requiring them for its screening and testing program.

The Committee has included a total of \$21,000,000 for the HPV and VCCEP programs in recognition of the substantial amount of data that EPA is receiving and must process. EPA must be able to assess this data in a timely and meaningful way for integration into its risk-based chemical management programs. EPA also is directed to continue to provide funding for implementation of its voluntary children’s chemical evaluation program [VCCEP] to ensure that the EPA will be able to effectively analyze the results of the program.

The Committee also directs EPA to provide equal access to the benefits of the Energy Star Labeled Homes program to all sectors of the affordable housing industry. In particular, the Committee directs EPA to work with the manufactured housing industry on ways for manufactured housing to avail itself of the Energy Star Labeled Homes program.

Within the funds provided, the Agency is directed to contract with an independent research organization, within 60 days of enactment of this Act, to complete a comprehensive study of jobs created by water infrastructure funding.

The Committee is concerned that the Agency has not yet awarded fiscal year 2003 funding appropriated for the University of Nevada, Reno to conduct water testing and related studies of the ar-



senic problem and its impact in Fallon, Nevada, and consequently, this important work has been unable to begin. The Committee directs the Agency to award this grant expeditiously and without further delay or imposition of additional review procedures. The Committee further directs the Agency to allow only the University of Nevada, Reno to assess appropriate overhead fees for this grant.

The Committee believes that a strong criminal enforcement program is essential to reducing pollution and protecting public health, and is concerned that the Agency has not devoted adequate resources to the program, leading to staffing and case backlogs. While the Committee also supports the Agency's compliance assistance and monitoring activities, these activities should be complementary to traditional criminal enforcement activities, not in lieu of them. Similarly, the Agency's increased criminal activities related to homeland security should be conducted in addition to, not at the expense of, the traditional criminal enforcement program. The Committee therefore directs the Agency to report by January 30, 2004, with a plan to reduce case backlogs and ensure adequate resource and staffing levels.

#### OFFICE OF INSPECTOR GENERAL

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$35,766,000 |
| Budget estimate, 2004 .....    | 36,808,000   |
| Committee recommendation ..... | 36,808,000   |

#### PROGRAM DESCRIPTION

The Office of Inspector General [OIG] provides audit, evaluation, and investigation products and advisory services to improve the performance and integrity of EPA programs and operations.

Trust fund resources are transferred to this account directly from the hazardous substance Superfund.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$36,808,000 for the Office of Inspector General, the same as the budget request and \$1,597,000 above the fiscal year 2003 level. In addition, \$13,214,000 will be available by transfer from the Superfund account, for a total of \$50,022,000. The trust fund resources will be transferred to the inspector general "General fund" account with an expenditure transfer.

#### BUILDINGS AND FACILITIES

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$42,639,000 |
| Budget estimate, 2004 .....    | 42,918,000   |
| Committee recommendation ..... | 42,918,000   |

#### PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends \$42,918,000 for buildings and facilities, \$279,000 above the fiscal year 2003 level and the same as the budget request.

HAZARDOUS SUBSTANCE SUPERFUND

(INCLUDING TRANSFERS OF FUNDS)

|                                |                 |
|--------------------------------|-----------------|
| Appropriations, 2003 .....     | \$1,264,614,000 |
| Budget estimate, 2004 .....    | 1,389,716,000   |
| Committee recommendation ..... | 1,265,000,000   |

PROGRAM DESCRIPTION

On October 17, 1986, Congress amended the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 [CERCLA] through the Superfund Amendments and Reauthorization Act of 1986 [SARA]. SARA reauthorized and expanded the Hazardous Substance Superfund to address the problems of uncontrolled hazardous waste sites and spills. Specifically, the legislation mandates that EPA: (1) provide emergency response to hazardous waste spills; (2) take emergency action at hazardous waste sites that pose an imminent hazard to public health or environmentally sensitive ecosystems; (3) engage in long-term planning, remedial design, and construction to clean up hazardous waste sites where no financially viable responsible party can be found; (4) take enforcement actions to require responsible private and Federal parties to clean up hazardous waste sites; and (5) take enforcement actions to recover costs where the fund has been used for cleanup. Due to the site-specific nature of the Agency's Superfund program, site-specific travel is not considered part of the overall travel ceiling set for the Superfund account.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,265,000,000 for Superfund, \$386,000 above the fiscal year 2003 enacted level and \$124,716,000 below the budget request. Of these funds, \$879,460,000 is for Superfund response and cleanup activities; \$148,000,000 is for enforcement activities; \$140,500,000 for management and support; \$13,214,000 for transfer to the Office of the Inspector General; \$45,000,000 for transfer to the Science and Technology account for research and development activities; and up to \$38,826,000 for reimbursable interagency activities. Changes to these funding levels shall be made pursuant to normal reprogramming requirements.

The Committee notes that with the maturity of the Superfund program, many sites on the National Priority List are entering the final stages of the Superfund "pipeline" when site remediation and long-term response actions occur. The Committee notes that the EPA Inspector General [IG] found that EPA spent only 16 percent of its annual appropriation to fund site remedy construction and long-term response activities. The Committee is concerned that EPA is not dedicating enough funds to actual remediation and Superfund close-out activities. The Committee expects EPA to allocate no less than 22 percent of its annual appropriation for these

activities. Further, the Committee directs the EPA IG to conduct a comprehensive audit of fiscal years 2002 and 2003 Superfund expenditures to assess the use of funds in Superfund clean-ups and make recommendations for enhancing the completion of final clean-up and remediation activities in the Superfund program.

#### LEAKING UNDERGROUND STORAGE TANK TRUST FUND

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$71,843,000 |
| Budget estimate, 2004 .....    | 72,545,000   |
| Committee recommendation ..... | 72,545,000   |

#### PROGRAM DESCRIPTION

The Superfund Amendments and Reauthorizations Act of 1986 [SARA] established the leaking underground storage tank [LUST] trust fund to conduct corrective actions for releases from leaking underground storage tanks containing petroleum and other hazardous substances. EPA implements the LUST program through State cooperative agreement grants which enable States to conduct corrective actions to protect human health and the environment, and through non-State entities including Indian tribes under section 8001 of RCRA. The trust fund is also used to enforce responsible parties to finance corrective actions and to recover expended funds used to clean up abandoned tanks.

#### COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$72,545,000 for the Leaking Underground Storage Tank Trust Fund, an increase of \$702,000 over the fiscal year 2003 enacted level. The Committee directs that not less than 85 percent of these funds be provided to the States and tribal governments.

#### OIL SPILL RESPONSE

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$15,480,000 |
| Budget estimate, 2004 .....    | 16,209,000   |
| Committee recommendation ..... | 16,209,000   |

#### PROGRAM DESCRIPTION

This appropriation, authorized by the Federal Water Pollution Control Act of 1987 and amended by the Oil Pollution Act of 1990, provides funds to prepare for and prevent releases of oil and other petroleum products in navigable waterways. Also EPA is reimbursed for incident specific response costs through the Oil Spill Liability Trust Fund managed by the United States Coast Guard. EPA is responsible for: directing all cleanup and removal activities posing a threat to public health and the environment; conducting site inspections, including compelling responsible parties to undertake cleanup actions; reviewing containment plans at facilities; reviewing area contingency plans; pursuing cost recovery of fund-financed cleanups; and conducting research of oil cleanup techniques. Funds for this appropriation are provided through the Oil Spill Liability Trust Fund which is composed of fees and collections made through provisions of the Oil Pollution Act of 1990, the Comprehensive Oil Pollution Liability and Compensation Act, the Deep-

water Port Act of 1974, the Outer Continental Shelf Lands Act Amendments of 1978, and the Federal Water Pollution Control Act as amended. Pursuant to law, the Trust Fund is managed by the United States Coast Guard.

COMMITTEE RECOMMENDATION

The Committee recommends \$16,209,000 for the oil spill response trust fund, the same as the budget request and \$729,000 above the fiscal year 2003 enacted and the level budget request.

STATE AND TRIBAL ASSISTANCE GRANTS

|                                |                 |
|--------------------------------|-----------------|
| Appropriations, 2003 .....     | \$3,834,905,000 |
| Budget estimate, 2004 .....    | 3,121,200,000   |
| Committee recommendation ..... | 3,814,000,000   |

PROGRAM DESCRIPTION

The “State and tribal assistance grants” account funds grants to support the State revolving fund programs; State, tribal, regional, and local environmental programs; and special projects to address critical water and waste water treatment needs.

Included in this account are funds for the following infrastructure grant programs: Clean Water and Drinking Water State Revolving Funds; United States-Mexico Border Program; Alaska Native villages; and Brownfield infrastructure projects.

It also contains the following categorical environmental grants, State/tribal program grants, and assistance and capacity building grants: (1) air resource assistance to State, regional, local, and tribal governments (secs. 105 and 103 of the Clean Air Act); (2) radon State and Tribal grants; (3) water pollution control agency resource supplementation (sec. 106 of the FWPCA); (4) BEACHS Protection grants (sec. 406 of FWPCA as amended); (5) nonpoint source (sec. 319 of the Federal Water Pollution Control Act); (6) wetlands State program development; (7) water quality cooperative agreements (sec. 104(b)(3) of FWPCA); (8) targeted watershed grants; (9) public water system supervision; (10) underground injection control; (11) Drinking Water Program State Homeland Security Coordination grants; (12) hazardous waste financial assistance; (13) Brownfields cleanup grants; (14) underground storage tanks; (15) Pesticides Program implementation; (16) lead grants; (17) toxic substances compliance monitoring; (18) pesticides enforcement; (19) the Environmental Information Exchange Network; (20) pollution prevention; (21) enforcement and compliance assurance; and, (22) Indians general assistance grants. As with the case in past fiscal years, reprogramming requests associated with Performance Partnership Grants need not be submitted to the Committee for approval should such grants exceed the normal reprogramming limitations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,814,000,000 for State and tribal assistance grants, an increase of \$692,800,000 over the budget request and is \$20,905,000 below the fiscal year 2003 enacted level.

The Committee recommends the following funding levels for programs in this account:

(1) \$1,350,000,000 for the Clean Water State Revolving Loan Fund. This amount is the same as the fiscal year 2003 level and \$500,000,000 more than the budget request.

(2) \$850,000,000 for the Drinking Water State Revolving Fund. This amount is the same as fiscal year 2003 level and the budget request.

(3) \$16,000,000 for the Targeted Watershed Grants program. This is a \$5,000,000 reduction from the budget request. This reduction is due to uncertainties regarding the basis for selecting watersheds for funding, and the impact of the program.

(4) \$228,550,000 for Section 103 and 105 State and Local Assistance grants.

(5) \$196,000,000 for the Section 319 Nonpoint Source Pollution Control Grants program. This is a \$42,000,000 reduction from the budget request. The Committee believes there is overlap with other Agricultural programs and an inadequate plan for the use of this funding.

(6) \$200,400,000 for the Section 106 State Pollution Control Grant Program, which includes support for State Total Maximum Daily Load programs. This amount is \$20,023,000 above the 2003 level.

(7) \$45,000,000 for Alaska Native Villages to address the special water and wastewater treatment needs of thousands of households that lack basic sanitation. The State of Alaska will provide a 25 percent match.

(8) \$3,500,000 for remediation of above ground leaking fuel tanks in Alaska as authorized by Public Law 106-554.

(9) \$20,000,000 for Information Exchange Network grants. The Committee supports the Agency's efforts to build an internet-based system that will enable environmental information exchanges among States, tribes, localities, the regulated community, the public and the Agency.

(10) \$50,000,000 for high priority water and wastewater facilities in the area of the United States-Mexico border, including \$7,000,000 for the El Paso-Las Cruces Sustainable Water Project and \$2,000,000 for the Brownsville water supply project.

(11) \$14,900,000 for the Wetland program which is a reduction of \$5,100,000 from the budget request. This program would be funded at the 2003 level. The Committee supports this program but believes that States still need time to develop a comprehensive plan to ensure the success of the program;

(12) \$4,700,000 for the Lead-Based Risk Reduction program which is \$9,000,000 less than the budget request. The Committee has supported strongly efforts to reduce lead-based paint hazard reduction programs in other areas of the bill and supports this program. However, the Committee notes that the EPA has been consistently carrying over between \$9,000,000 and nearly \$15,000,000 over the past 5 years. This carryover ensures the ability of the EPA to maintain consistent funding for States and localities;

The Committee includes no funds for the Homestake Mine which is a State and corporate responsibility. The Committee includes no

new funds for a special drinking water grant for Puerto Rico as requested by the Administration.

The Committee includes \$130,000,000 for targeted project grants. These grants include a local match of 45 percent for all grants utilized unless a hardship waiver is provided by the EPA. The EPA is directed to expedite any request for a waiver and assist any communities that are likely to qualify for a waiver in processing such a request. In addition, for these targeted project grants, the Committee recognizes the administrative burden on recipients from having to comply with similar and sometimes duplicative administrative and procedural requirements attendant to receiving both a grant under this heading and a loan under a State water pollution control or drinking water revolving fund. In these cases, the Committee intends the responsibility for these grants to become the responsibility of the applicable State water pollution control or drinking water revolving fund in accordance with existing cost and administrative requirements. The targeted project grants are as follows:

1. \$700,000 for the Coosa Valley Water Supply District for development of a surface water supply in St. Clair County, Alabama;
2. \$2,000,000 to the Tom Beville Reservoir Management Area Authority for construction of a drinking water reservoir in Fayette County, Alabama;
3. \$450,000 to the Southwest Alabama Regional Water Supply District for regional water supply distribution in Thomasville, Alabama;
4. \$100,000 to the Town of Hodges, Alabama for the Hodges water improvement project;
5. \$150,000 to the Town of Double Springs, Alabama for water system improvements;
6. \$250,000 for Smith's Sewer and Water Authority for sewer system expansion in Smith, Alabama;
7. \$100,000 to the Water and Sewer Boards of the Cities of Brent and Centreville for court ordered repairs to the system to mitigate water pollution in Centreville, Alabama;
8. \$250,000 to the City of Athens Utilities for commercial sewage extension in Athens, Alabama;
9. \$100,000 to the City of Camden, Alabama for water and sewer infrastructure improvements;
10. \$250,000 for the Waterworks Boards of Section and Dutton for water distribution system expansion and upgrade in Jackson County, Alabama;
11. \$150,000 for the Cherokee County Commission for Weiss Lake Area system improvements in Centre, Alabama;
12. \$2,000,000 for Anchorage, Alaska for water and sewer upgrades in West Anchorage;
13. \$1,500,000 for Fairbanks, Alaska for water system upgrades;
14. \$1,000,000 for North Pole, Alaska for water and sewer improvements;
15. \$985,000 for Palmer, Alaska for a water main;
16. \$768,000 for Sitka, Alaska for Japonski Island water supply improvements;
17. \$925,000 for Wasilla, Alaska for water and sewer improvements;

18. \$1,000,000 for the City of Scottsdale, Arizona for the Arsenic Removal Project;
19. \$650,000 for the Town of Greers Ferry, Arkansas for drinking water infrastructure improvements;
20. \$650,000 for the City of Fayetteville, Arkansas for wastewater infrastructure improvements;
21. \$1,000,000 for the Santa Clara Valley Water District, California for perchlorate groundwater clean-up;
22. \$500,000 for the City of Ukiah, California for wastewater infrastructure improvements;
23. \$500,000 for the West Valley Water District, California for the Inland Empire Perchlorate Force Wellhead Treatment;
24. \$500,000 for Madera County, California for wastewater infrastructure improvements;
25. \$500,000 for the City of Santa Ana, California for water infrastructure improvements;
26. \$200,000 for Ventura County, California for sewer infrastructure improvements;
27. \$1,000,000 for the Town of Rico, Colorado for the construction of a wastewater treatment plant and sewer system;
28. \$1,000,000 for the Brownsville Water District, Colorado for the construction of a sanitary sewer collection system and interceptor line;
29. \$1,000,000 for the Englewood/Littleton Bi-City Wastewater Treatment Plant, Colorado for wastewater infrastructure improvements;
30. \$500,000 for the Town of East Hampton, Connecticut for drinking water infrastructure improvements;
31. \$500,000 for the City of New Britain, Connecticut for drinking water infrastructure improvements;
32. \$300,000 for the Town of Southington, Connecticut for drinking water infrastructure improvements;
33. \$600,000 for the City of Wilmington, Delaware for wastewater infrastructure improvements;
34. \$1,000,000 for the Solid Waste Authority of Palm Beach County, Florida for continued construction of the Tri-County Biosolids Pelletization Facility;
35. \$300,000 for the Northwest Florida Management District for the Escambia County Utility Authority Water Reclamation Project;
36. \$300,000 for the Metropolitan North Georgia Water Planning District for water infrastructure improvements;
37. \$750,000 for the City of Forsyth, Georgia for wastewater infrastructure improvements;
38. \$1,000,000 for Oahu County and Kauai County, Hawaii for water infrastructure improvements;
39. \$2,000,000 for the City of Ottumwa, Iowa for the separation of combined sewers;
40. \$200,000 for the City of Carroll, Iowa for wastewater infrastructure improvements;
41. \$1,500,000 for the City of Sioux City, Iowa for the construction of the Regional Wastewater Treatment Plant;
42. \$2,000,000 for Shoshone County, Idaho, for Burke Canyon Water and Sewer Improvements;

43. \$500,000 for the City of Burley, Idaho, for construction on its Wastewater Treatment System Project;
44. \$500,000 for Galesburg Sanitary District, Illinois for wastewater infrastructure improvements;
45. \$500,000 for the Village of Franklin Park, Illinois for water and wastewater infrastructure improvements;
46. \$500,000 for Lake County, Illinois for water and wastewater infrastructure improvements;
47. \$500,000 for the City of Galena, Illinois to expand and improve wastewater facilities;
48. \$200,000 for the City of Wilmington, Illinois for wastewater infrastructure improvements;
49. \$200,000 for the Delaware County Commissioners, Eaton, Indiana for water system improvements;
50. \$200,000 for the City of Elwood, Indiana for sewer infrastructure improvements;
51. \$250,000 for Vanderburgh County/City of Evansville, Indiana for wastewater system improvements;
52. \$100,000 for the City of Martinsville, Indiana for water infrastructure improvements;
53. \$1,000,000 for the City of Fort Wayne, Indiana for water infrastructure improvements;
54. \$2,000,000 for the City of Hutchison, Kansas for groundwater remediation;
55. \$1,000,000 for the City of Roeland Park, Kansas for stormwater infrastructure improvements;
56. \$500,000 to the South Woodford Water District in Woodford County, Kentucky, for the South Woodford Water District System Improvement Project;
57. \$500,000 to the Hardin County Water District No. 2 in Hardin County, Kentucky, for the Elizabethtown Loop Project;
58. \$2,000,000 to the Intermodal Transportation Authority in Bowling Green, Kentucky, for Kentucky TriModal Transpark Water and Sewer Improvements;
59. \$1,000,000 for Sanitation District Number One in Kentucky for water infrastructure improvements;
60. \$700,000 for the Ohio County Regional Wastewater District, Kentucky for wastewater infrastructure improvements;
61. \$300,000 for the State of Kentucky for water infrastructure improvements in Union County;
62. \$1,000,000 for the City of Baton Rouge, Louisiana for water infrastructure improvements;
63. \$750,000 for the City of Monroe, Louisiana for wastewater infrastructure improvements;
64. \$750,000 for the Town of Gramercy, Louisiana for drinking water infrastructure improvements;
65. \$700,000 for the City of St. Martinville, Louisiana for wastewater infrastructure improvements;
66. \$500,000 for the City of Gardiner, Maine for sewer infrastructure improvements;
67. \$250,000 for the Town of Machias, Maine for wastewater infrastructure improvements;
68. \$250,000 for Indian Township, Maine for improvements to wastewater facilities;



69. \$1,000,000 for the Town of Westernport, Maryland for sewer infrastructure improvements;
70. \$500,000 for Chestertown, Maryland for water infrastructure improvements;
71. \$500,000 for the Town of Delmar, Maryland for water infrastructure improvements;
72. \$500,000 for the Town of Crisfield, Maryland for water infrastructure improvements;
73. \$500,000 for the Town of Hurlock, Maryland for water infrastructure improvements;
74. \$500,000 for the Town of Snow Hill, Maryland for water infrastructure improvements;
75. \$1,000,000 for Harford County, Maryland for the Oaklyn Manor Project;
76. \$600,000 for the Cities of New Bedford and Fall River, Massachusetts for combined sewer overflow mitigation in Bristol County;
77. \$1,000,000 for the City of Benton Harbor, Michigan for water infrastructure improvements;
78. \$400,000 for Crystal Falls Township, Michigan for water infrastructure improvements;
79. \$1,000,000 for the City of Saginaw, Michigan for sewer infrastructure improvements;
80. \$400,000 for Genesee County Drain Commission, Michigan for the North-East Relief Sewer and Kearsley Creek Interceptor project;
81. \$1,500,000 for the City of Joplin, Missouri for the Shoal Creek Pre-treatment facility and Silver Creek parallel relief;
82. \$300,000 for the City of Mille Lacs, Minnesota for wastewater infrastructure improvements;
83. \$500,000 for the City of Moorhead, Minnesota for water infrastructure improvements;
84. \$450,000 for the City of Pascagoula, Mississippi for stormwater and wastewater infrastructure improvements;
85. \$1,000,000 for the City of Forest, Mississippi for water infrastructure improvements;
86. \$200,000 for the City of Gulfport, Mississippi for wastewater infrastructure improvements;
87. \$1,000,000 for the West Rankin Metropolitan Water and Sewer Authority, Rankin County, Mississippi for water infrastructure improvements;
88. \$500,000 for the City of Tchula, Mississippi for wastewater infrastructure improvements;
89. \$500,000 for the City of Meridian, Mississippi for wastewater infrastructure improvements;
90. \$500,000 for the City of Jackson, Mississippi for wastewater system improvements;
91. \$1,000,000 for the City of St. Joseph, Missouri for sewer infrastructure improvements;
92. \$750,000 for Monroe City, Missouri for water main replacement and water line extension;
93. \$1,000,000 for the Cities of Peculiar and Raymore, Missouri for the Cass County Watershed Expansion Project;

94. \$700,000 for the City of Pacific, Missouri for sewer infrastructure improvements;
95. \$750,000 for Northwest Missouri Regional Council of Governments for regional drinking water projects;
96. \$750,000 for the City of Lebanon, Missouri for sewer infrastructure improvements;
97. \$400,000 for Wright City, Missouri for the construction of an elevated water storage tank;
98. \$150,000 for Steelville, Missouri for completion of its water service project, well and water storage tank;
99. \$500,000 to the City of St. Louis Department of Public Utilities Water Division for the Columbia Bottoms Wellfield Development Project in St. Louis, Missouri;
100. \$300,000 for the City of Helena, Montana for Phase 1 of Helena's Missouri River Water Treatment Plant reconstruction;
101. \$1,000,000 for the Missouri River Water Project, Helena, Montana for a wastewater treatment facility;
102. \$600,000 for the City of Kalispell, Montana for wastewater treatment improvements;
103. \$500,000 for the City of Missoula, Montana for the Rattlesnake Water Project;
104. \$350,000 for the City of Red Lodge for a wastewater treatment facility;
105. \$350,000 for the City of Manhattan, Montana for a wastewater treatment facility;
106. \$300,000 for the City of Wisdom, Montana for wastewater infrastructure improvements;
107. \$400,000 for the City of Hamilton, Montana for wastewater infrastructure improvements;
108. \$300,000 for the City of Omaha, Nebraska for the separation of combined sewers;
109. \$375,000 for the City of Omaha, Nebraska for the construction of combined sewer separation systems;
110. \$375,000 for the City of Lincoln, Nebraska for the construction of combined sewer separation systems;
111. \$100,000 for the Town of Hawthorne, Nevada for sewer infrastructure improvements;
112. \$1,000,000 for the Virgin Valley Water District, Nevada for drinking water infrastructure improvements;
113. \$1,000,000 for Washoe County, Nevada for the North Lemmon Valley Artificial Recharge Project;
114. \$600,000 for Clark County, Nevada for water infrastructure improvements;
115. \$500,000 for the City of Berlin, New Hampshire, for the Berlin Waterworks water distribution system improvements;
116. \$500,000 for the Town of Colebrook, New Hampshire for drinking water infrastructure improvements;
117. \$300,000 for the Town of Rollingsford, New Hampshire for wastewater treatment improvements;
118. \$350,000 for the Town of Jaffrey, New Hampshire for wastewater treatment improvements;
119. \$500,000 for the City of Nashua, New Hampshire for a Combined Sewer Overflow Abatement project;

120. \$500,000 for the City of Manchester, New Hampshire for the Phase 1 Combined Sewer Overflow Abatement project;
121. \$350,000 for the City of Rochester Waterworks, New Hampshire for the extension of Rochester, New Hampshire sewer line;
122. \$1,000,000 for the City of Camden, New Jersey for the Von Neida Park Wastewater Management project;
123. \$700,000 for Rockland County in New York, for the Western Ramapo, New Jersey, sewer extension;
124. \$300,000 for the City of Gallup, New Mexico for wastewater infrastructure improvements;
125. \$2,000,000 for the Valley Utilities Project in the City of Albuquerque and Bernalillo County, New Mexico;
126. \$1,000,000 for the City of Española, New Mexico, for water and wastewater system improvements;
127. \$1,000,000 for the City of Los Lunas, New Mexico, for the interceptor sewer line project;
128. \$250,000 for the City of Oswego, New York for water infrastructure improvements;
129. \$250,000 for the City of Corning, New York for a reservoir project;
130. \$1,000,000 for the Village of Lake Placid, New York for water infrastructure improvements;
131. \$1,000,000 for the Neuse Regional Water and Sewer Authority in Kinston, North Carolina for drinking water infrastructure improvements;
132. \$550,000 for the City of Devils Lake, North Dakota for water infrastructure improvements;
133. \$900,000 for the City of Grafton, North Dakota for the Grafton Water Treatment Plant;
134. \$200,000 for the City of Park River, North Dakota for water infrastructure improvements;
135. \$550,000 for the City of Riverdale, North Dakota for the Riverdale Regional Water Treatment Facility;
136. \$300,000 for Dickey Rural Water Users Association in Southeast, North Dakota for the Southeast Regional Expansion Project;
137. \$900,000 for Guernsey County, Ohio to build the Claysville-Cumberland Waterline;
138. \$900,000 for the City of Delphos, Ohio to construct a reservoir, surface water treatment plant, and associated piping;
139. \$300,000 to the Village of Millersburg, Ohio to upgrade the Millersburg Wastewater Treatment Plant;
140. \$900,000 to the City of Van Wert, Ohio to increase the size of the drinking water reservoir;
141. \$500,000 to Fulton County, Ohio to prevent landfill leachate flows into surface water by improving the cap and leachate collection system at the Fulton County Landfill;
142. \$1,500,000 for the City of Lawton, Oklahoma for the Southwest Water Treatment Plant;
143. \$750,000 to the Warrenton Municipal Wastewater Out-fall/Tie-In Project, Oregon;
144. \$500,000 for the City of Irrigon, Oregon for water infrastructure improvements;

145. \$500,000 for the City of Portland, Oregon for its wet weather demonstration project;

146. \$2,000,000 for the Three Rivers Wet Weather Demonstration program to develop innovative, cost-effective solutions to assist municipalities to eliminate sewer overflows in Allegheny County, Pennsylvania;

147. \$750,000 to the Cambria Somerset Authority for the Quemahoning Reservoir water supply project to provide water to communities in Somerset and Cambria Counties, Pennsylvania;

148. \$300,000 to the City of Lancaster to construct an advanced ultrafiltration membrane water treatment system in Lancaster County, Pennsylvania;

149. \$250,000 to Jersey Shore Borough for water infrastructure improvements in Lycoming County, Pennsylvania;

150. \$250,000 to the Summit Township Sewer Authority for a public sanitary sewer system extension in Erie County, Pennsylvania;

151. \$250,000 to Tuscarora Township for East Waterford sanitary sewer system upgrades in Juniata County, Pennsylvania;

152. \$200,000 to Newport Borough Water Authority for a river filtration system and distribution line replacement in Perry County, Pennsylvania;

153. \$1,450,000 for the Narragansett Bay Commission, Rhode Island for combined sewer overflow infrastructure improvements;

154. \$500,000 for the Pascoag Utility District, Rhode Island for water infrastructure improvements;

155. \$440,000 for the City of Providence, Rhode Island for water infrastructure improvements;

156. \$500,000 for the Town of Jamestown, Rhode Island for water infrastructure improvements;

157. \$500,000 for the Pawtucket Water Supply Board, Rhode Island for the renovation of Central Falls Pipe;

158. \$100,000 for the Prudence Island Water Utility, Rhode Island for water infrastructure improvements;

159. \$1,200,000 for the Town of Ravenel, South Carolina for construction of a main sewer transmission line along U.S. Hwy 17;

160. \$1,000,000 for the Commission of Public Works of the City of Charleston, South Carolina for wastewater tunnel replacement;

161. \$1,000,000 for the City of Corsica, South Dakota for water infrastructure improvements;

162. \$1,000,000 for the City of Lennox, South Dakota for water infrastructure improvements;

163. \$200,000 for the City of Sisseton, South Dakota for water infrastructure improvements;

164. \$1,000,000 for the City of Hartford, South Dakota for drinking water infrastructure improvements;

165. \$100,000 for the City of DeSmet, South Dakota for water infrastructure improvements;

166. \$600,000 for the City of Jackson, Tennessee for the Sandy Creek Sanitary Sewer Overflow Project;

167. \$1,400,000 for the City of Newport, Tennessee for the Newport Utility District to expand drinking water services and improve wastewater treatment;

168. \$1,300,000 for San Antonio Water Systems, San Antonio, Texas for Brooks City-Base water infrastructure improvements;

169. \$1,200,000 for the City of Austin, Texas for sanitary sewer overflow mitigation;

170. \$600,000 for Daggett County, Utah for the Dutch John Water and Wastewater Infrastructure Improvements;

171. \$500,000 for the City of Riverton, Utah for water infrastructure improvements;

172. \$650,000 for Iron County, Utah for wastewater infrastructure improvements;

173. \$250,000 for the Jordan Valley Water Conservancy District, Utah for a groundwater extraction and treatment remedial project;

174. \$500,000 for Park City, Utah for Spiro and Judge Tunnel Water Treatment Facility;

175. \$500,000 for the City of Sandy, Utah for water and stormwater infrastructure improvements;

176. \$500,000 for the City of Orem, Utah for water infrastructure improvements;

177. \$300,000 for Fairfax County, Virginia for wastewater infrastructure improvements;

178. \$400,000 for the City of Norfolk, Virginia for the Prentis Park Water and Sewer Rehabilitation;

179. \$300,000 for the City of Lynchburg, Virginia for combined sewer overflow controls;

180. \$500,000 for the City of Lakewood, Washington for sewer infrastructure improvements;

181. \$1,000,000 for the City of Sunnyside, Washington for wastewater infrastructure improvements;

182. \$750,000 for the Skagit Public Utility District, Washington for sewer improvements for the Similk Beach Community;

183. \$450,000 for the Vashon Sewer District, Washington for wastewater infrastructure improvements;

184. \$1,000,000 for the Town of Waitsfield, Vermont for wastewater infrastructure improvements;

185. \$1,500,000 for the Champlain Water District, Vermont, for Chittenden County stormwater infrastructure improvements;

186. \$1,700,000 for the City of Milwaukee, Wisconsin for sewer infrastructure improvements;

187. \$500,000 for the City of Racine, Wisconsin for water infrastructure improvements.

The Committee includes \$160,500,000 for Brownfields activities within this account. These funds augment funding of \$30,000,000 included in the Environmental Programs and Management account for fiscal year 2004. This is a \$20,000,000 reduction to this program from the budget request. The Committee strongly supports this program but is disappointed in the revolving loan component of the Brownfields program that has resulted in only five clean-ups being completed over the life of the program. EPA has awarded some \$112,000,000 to 142 entities to capitalize these revolving loan funds. Unfortunately, only about \$11,000,000 in loans have been made throughout the Nation by 24 entities. This means that 118 entities or some 83 percent of all entities have never made a loan. The Committee directs EPA to report on the status of the revolving

loan fund component and the success of any efforts to make this program work more effectively.

The Committee has included bill language, as carried in previous appropriations acts, to clarify that drinking water health effects studies are to be funded through the science and technology account.

The Committee has also included bill language, as requested by the administration and as carried in previous appropriations acts, to: (1) extend for an additional year the authority for States to transfer funds between the Clean Water SRF and the Drinking Water SRF; (2) waive the one-third of 1 percent cap on the Tribal set aside from non-point source grants; (3) increase to 1.5 percent the cap on the Tribal set-aside for the Clean Water SRF; and (4) require that any funds provided to address the water infrastructure needs of colonias within the United States along the United States-Mexico border be spent only in areas where the local governmental entity has established an enforceable ordinance or rule which prevents additional development within colonias that lacks water, wastewater, or other necessary infrastructure.

#### ADMINISTRATIVE PROVISIONS

*Cooperative Agreements with Tribes.*—The Committee has included bill language, as proposed in the budget request and as carried in previous appropriations acts, permitting EPA, in carrying out environmental programs required or authorized by law in the absence of an acceptable tribal program, to use cooperative agreements with federally-recognized tribes and inter-tribal consortia.

*Pesticide Tolerance Processing Fees.*—As has been the case for the last several years to ensure adequate resources for the EPA's pesticide re-registration program, the Committee has included bill language which authorizes for 1 year the collection by EPA of \$21,500,000 in maintenance fees. This provision expires on September 30, 2004. The bill also prohibits the use of funds to promulgate a new regulation to implement changes in the payment of pesticide tolerance fees as proposed at 64 Federal Register 31040, or any similar proposal; and prohibits the collection of pesticide registration fees if a new maintenance fee has gone in effect.

The bill includes two provisions to reform the EPA Brownfields program. The first provision extends eligibility to Brownfields sites that were purchased prior to the enactment of the Small Business Liability Relief and Brownfield Revitalization Act of 2001. The second provision allows the EPA to permit the use of funds for reasonable administrative costs.

The bill includes a provision that clarifies an existing exemption in the Clean Air Act that farm and construction equipment which are smaller than 175 horsepower are exempt from state regulation for emissions but remain subject to EPA regulation.

#### EXECUTIVE OFFICE OF THE PRESIDENT

##### OFFICE OF SCIENCE AND TECHNOLOGY POLICY

|                                |             |
|--------------------------------|-------------|
| Appropriations, 2003 .....     | \$5,333,000 |
| Budget estimate, 2004 .....    | 7,027,000   |
| Committee recommendation ..... | 7,027,000   |

## PROGRAM DESCRIPTION

The Office of Science and Technology Policy [OSTP] was created by the National Science and Technology Policy, Organization, and Priorities Act of 1976 (Public Law 94-282) and coordinates science and technology policy for the White House. OSTP provides authoritative scientific and technological information, analysis, and advice for the President, for the executive branch, and for Congress; participates in formulation, coordination, and implementation of national and international policies and programs that involve science and technology; maintains and promotes the health and vitality of the U.S. science and technology infrastructure; reviews and analyzes, with the Office of Management and Budget, the research and development budgets for all Federal agencies; and coordinates research and development efforts of the Federal Government to maximize the return on the public's investment in science and technology and to ensure Federal resources are used efficiently and appropriately.

OSTP provides support for the National Science and Technology Council [NSTC].

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$7,027,000 for the Office of Science and Technology Policy. This amount is the same as the budget request and \$1,694,000 above the fiscal year 2003 enacted level.

The Committee believes the President's Science Advisor should continue to play an integral role in advising the President on the appropriate balance among and between disciplines and agencies in the Federal R&D portfolio. The Committee also expects the Science Advisor will conduct effective outreach to the science and engineering community and be an active and influential advisor to the President on important public policy issues grounded in science and technology.

The Committee notes that the Government share for R&D funding has declined substantially over the last 15 years. However, industry's dependence on public R&D for innovation remains very high. Nearly three quarters of U.S. industry patents cite publicly funded science as the basis for the invention. The Committee is concerned that further reductions in public funding for science and engineering could result in a decrease in the private sector's capacity to innovate.

The Committee is also concerned about the adequacy of this Nation's scientific and technical workforce, and the efforts needed to boost the participation of women and minorities in the science and engineering workforce. The Committee urges OSTP to work with the relevant agencies on the development of policies and in the allocation of resources to address these issues effectively.

The Committee reiterates its long standing interest in improving coordination and cooperation among the various R&D agencies under the auspices of OSTP and the National Science and Technology Council [NSTC].

The Committee is strongly supportive of the interagency nanoscience and technology initiative and urges OSTP to continue

to strengthen the emerging research, education, and training objectives of the National Nanotechnology Initiative [NNI]. The Committee is particularly interested in the planned efforts to transfer nanotechnology research results generated from the NNI into applications and urges OSTP to continue to address this issue. The Committee notes that the request by the administration for the multi-agency NNI will effectively be double the amount funded for nanotechnology in fiscal year 2004.

The Committee understands that prior to 1989, the National Institutes of Health [NIH] provided indirect cost reimbursements to the Department of Veterans Affairs [VA] in compliance with Public Law 90-31. However, the NIH stopped providing these reimbursements after 1989. Accordingly, the Committee strongly urges OSTP to assist the VA and the NIH to negotiate a fair and equitable agreement for VA to receive reimbursement from NIH for facility costs incurred while conducting NIH-sponsored research.

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

|                                |             |
|--------------------------------|-------------|
| Appropriations, 2003 .....     | \$3,011,000 |
| Budget estimate, 2004 .....    | 3,328,000   |
| Committee recommendation ..... | 3,328,000   |

PROGRAM DESCRIPTION

The Council on Environmental Quality/Office of Environmental Quality was established by the National Environmental Policy Act and the Environmental Quality Improvement Act of 1970. The Council serves as a source of environmental expertise and policy analysis for the White House, Executive Office of the President, and other Federal agencies. CEQ promulgates regulations binding on all Federal agencies to implement the procedural provisions of the National Environmental Policy Act and resolves interagency environmental disputes informally and through issuance of findings and recommendations.

COMMITTEE RECOMMENDATION

The Committee has provided \$3,328,000 for the Council on Environmental Quality, an increase of \$317,000 above the fiscal year 2003 enacted level and equal to the budget request. The Committee directs CEQ to provide quarterly reports on all ongoing activities, including use of detailees and agency representatives.

FEDERAL DEPOSIT INSURANCE CORPORATION

OFFICE OF INSPECTOR GENERAL

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$30,848,000 |
| Budget estimate, 2004 .....    | 30,125,000   |
| Committee recommendation ..... | 30,848,000   |

PROGRAM DESCRIPTION

The FDIC Office of Inspector General conducts audits, investigations, and other reviews to assist and augment the FDIC's contribution to the stability of, and public confidence in, the Nation's financial system. A separate appropriation more effectively ensures



the OIG's independence consistent with the Inspector General Act of 1978, as amended and other legislation.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$30,848,000 for the FDIC inspector general, the same as the fiscal year 2003 enacted level and \$723,000 more than the budget request. Funds are to be derived by transfer from the bank insurance fund, the savings association insurance fund, and the FSLIC resolution fund.

#### GENERAL SERVICES ADMINISTRATION

##### FEDERAL CITIZEN INFORMATION CENTER FUND

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$11,466,000 |
| Budget estimate, 2004 .....    | 17,643,000   |
| Committee recommendation ..... | 14,000,000   |

#### PROGRAM DESCRIPTION

The Federal Citizen Information Center [FCIC] successfully brings together an array of U.S. Government information and services and makes them easily accessible to the public. Whether citizens need information on the web, via e-mail, in print, or over the telephone, FCIC is their help desk for everyday life—giving answers and assistance they trust about the things that matter.

Originally established within the General Services Administration [GSA] by executive order on October 26, 1970, to help Federal departments and agencies promote and distribute printed consumer information, FCIC has evolved and consolidated a variety of complementary functions to augment the original print and media channels through which it informed the public.

On January 28, 2000, the FCIC assumed responsibility for the operations of the Federal Information Center [FIC] program. The FIC program was established within the General Services Administration in 1966, and was formalized by Public Law 95-491 in 1980. The program's purpose is to provide the public with direct information about all aspects of Federal programs, regulations, and services. To accomplish this mission, contractual services are used to respond to public inquiries via the nationwide toll-free National Contact Center.

On June 30, 2002, FCIC assumed operational control of the FirstGov.gov website, the official portal of the U.S. Government, and became a critical part of GSA's newly established Office of Citizen Services and Communications. This Office brings together all of GSA's citizen-centered programs. The new Office serves as a central Federal gateway for citizens, businesses, other governments, and the media to easily obtain information and services from the Government. Under this new organization, FCIC remains committed to its consumer and citizen information outreach mission mandate but adds additional channels to broaden its scope to provide all citizens with access to the information and services available from the Government. On March 31, 2003, FCIC began accepting e-mail and fax inquiries from the public through the FirstGov.gov website and responds to them at its National Contact Center.

Public Law 98–63, enacted July 30, 1983, established a revolving fund for the FCIC. Under this fund, FCIC activities are financed from the following: annual appropriations from the general funds of the Treasury, reimbursements from agencies for distribution of publications, user fees collected from the public, and any other income incident to FCIC activities. All are available as authorized in appropriation acts without regard to fiscal year limitations.

COMMITTEE RECOMMENDATION

The Committee recommends \$14,000,000 for the Federal Citizen Information Center, an increase of \$2,534,000 above the fiscal year 2003 enacted level and \$3,643,000 below the budget request.

The appropriation will be augmented by a projected \$560,000 reimbursements from Federal agencies for distribution of consumer publications, user fees from the public, and other income. FCIC’s anticipated resources for fiscal year 2004 will total approximately \$14,560,000.

As FCIC responsibilities continue to expand to better serve the public within a recently established GSA organization, the Committee emphasizes that the funds appropriated from this account are available solely for FCIC staffing and activities to achieve its core mission as presented to and approved by the Committee.

UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS

OPERATING EXPENSES

|                                |                        |
|--------------------------------|------------------------|
| Appropriations, 2003 .....     | \$1,490,000            |
| Budget estimate, 2004 .....    | <sup>1</sup> 1,500,000 |
| Committee recommendation ..... | 1,500,000              |

<sup>1</sup> Funded under the Department of Housing and Urban Development.

PROGRAM DESCRIPTION

The United States Interagency Council on Homelessness is an independent agency created by the McKinney-Vento Homeless Assistance Act of 1987 to coordinate and direct the multiple efforts of Federal agencies and other designated groups. The Council was authorized to review Federal programs that assist homeless persons and to take necessary actions to reduce duplication. The Council can recommend improvements in programs and activities conducted by Federal, State and local government as well as local volunteer organizations. The Council consists of the heads of 18 Federal agencies such as the Departments of Housing and Urban Development, Health and Human Services, Veterans Affairs, Agriculture, Commerce, Defense, Education, Labor, and Transportation; and other entities as deemed appropriate.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,500,000 for the United States Interagency Council on Homelessness [ICH], the same level as the budget request and \$10,000 more than the fiscal year 2003 enacted level. These funds are for carrying out the functions authorized under section 203 of the McKinney-Vento Homeless Assistance Act.

The Committee, however, expects HUD to continue providing administrative support for the Council as mandated under section 204(d) of the McKinney-Vento Homeless Assistance Act.

The Committee fully supports the ongoing work of the ICH to develop a comprehensive and coordinated strategy for ending and preventing homelessness. To that end, the Committee supports the ICH's efforts to work with local and State governments in developing and implementing performance based, results oriented strategic plans to end chronic homelessness in 10 years.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

|                                |                  |
|--------------------------------|------------------|
| Appropriations, 2003 .....     | \$15,338,907,000 |
| Budget estimate, 2004 .....    | 15,469,300,000   |
| Committee recommendation ..... | 15,338,907,000   |

GENERAL DESCRIPTION

The National Aeronautics and Space Administration [NASA] was established by the National Aeronautics and Space Act of 1958 to conduct space and aeronautical research, development, and flight activities for peaceful purposes designed to maintain U.S. pre-eminence in aeronautics and space. NASA's unique mission of exploration, discovery, and innovation is intended to preserve the United States' role as both a leader in world aviation and as the pre-eminent space-faring Nation. It is NASA's mission to: advance human exploration, use and development of space; advance and communicate scientific knowledge and understanding of the Earth, the Solar System and the Universe; and research, develop, verify and transfer advanced aeronautics and space technologies.

COMMITTEE RECOMMENDATION

The Committee recommends \$15,338,907,000 for the National Aeronautics and Space Administration for fiscal year 2004, the same as the fiscal year 2003 enacted level and \$130,393,000 below the President's request.

The Committee has modified the account structure as proposed under the budget request of NASA. The Committee has transferred the appropriate activities to reflect the two newly created accounts of Science, Aeronautics and Exploration, and Space Flight Capabilities. Science, Aeronautics and Exploration will contain the enterprises of Space Science, Earth Science, Biological and Physical Research, Aeronautics, and Education. The Space Flight Capabilities account will contain the funding for the International Space Station [ISS], Space Shuttle, Space Flight Support, and Crosscutting Technology. The account of the Office of the Inspector General will remain unchanged. These account revisions were made to better accommodate NASA's transition to full cost accounting.

In addition, NASA is at a crossroad in its history. Because of the tragic loss of the Shuttle Columbia, the Committee believes that both the Congress and NASA must make a renewed commitment to safety as the highest priority in the NASA budget. While safety has always been our highest priority for NASA, something went terribly wrong on that tragic day in February when the Shuttle Columbia crashed to earth and seven of our bravest astronauts died. We know more about the Columbia tragedy now that the Columbia

Accident Investigations Board [CAIB] has issued its final report. The findings are disturbing but provide a foundation for NASA to assess and institute the substantial reforms that must be made to make a return to flight both safe and successful.

As part of this reform process, the Committee directs NASA to submit a comprehensive plan within 4 months of enactment of this Act that will respond to the CAIB report as well as address other staffing, systemic and program shortcomings in NASA programs. The plan should also include an assessment of any proposed investments that NASA considers critical to the reform of the agency and the success of its missions. Finally, the plan is expected to provide a 10-year funding profile for implementing proposed reforms with benchmarks that are designed to ensure a robust and safe return to flight.

Moreover, NASA's existing budget profile already maps out an aggressive role for the United States in both manned and unmanned space exploration. However, the potential out-year costs are substantial and will likely be very difficult to sustain. This difficulty will be compounded further by whatever NASA proposes in the way of reforms and investments in response to the final findings of the CAIB. In addition, the Committee believes that there must be a renewed commitment to a replacement of the Shuttle as the primary vehicle for manned space flight. While this commitment may begin with an increased investment and new timetable for the Orbital Space Plane [OSP], the Committee understands that NASA sees the OSP, not as a shuttle replacement, but as a crew return vehicle from the ISS in times of emergency and as a crew and supply transport vehicle otherwise. Nevertheless, the Committee believes that a replacement for the Space Shuttle must be considered a priority as part of any plan for a return to flight and the Committee directs NASA to include plans and benchmarks for the replacement of the Space Shuttle as part of its comprehensive plan in response to the CAIB.

During fiscal year 2004 the Committee directs NASA to include the outyear budget impacts on all reprogramming requests and include the outyear budget impact of all missions in the annual operating plan. The operating plan and all resubmissions also should include a separate accounting of all program/mission reserves.

The Committee remains sensitive to continuing risks regarding the illegal transfer and theft of sensitive technologies that can be used in the development of weapons by governments, entities and persons who may be hostile to the United States. The Committee commends both NASA and the NASA Inspector General [IG] for their efforts to protect sensitive NASA-related technologies. Nevertheless, this will remain an area of great sensitivity and concern as the development of technological advances likely will continue to accelerate. The Committee directs NASA and the NASA IG to report annually on these issues, including an assessment of risk.

The Committee also expects NASA to continue its work on long-term plans to partner with U.S. universities and industry in a variety of NASA-related science research, including research related to nanotechnology, information technology and remote sensing. These are all areas of investment that have a commercial application that

will have an increasing impact on society, the economy, and quality of life.

The Committee remains very concerned over the inefficient use of funds by NASA. The Committee understands that most of the programs and activities funded by NASA are very difficult and technologically challenging and are what laypersons jokingly refer to as “rocket science.” Nevertheless, where there are delays in programs and activities, NASA often ends up paying the additional costs necessary to support a standing army of contractors and related employees for little or no work in order to protect the institutional memory of the delayed program or activity, regardless of the reason for the delay. In these cases, NASA and the American taxpayer get little in return. The Committee directs NASA to report within 4 months of the date of enactment on various options to reduce the costs associated with these delays, including new requirements for what constitutes “core” staff and “core” program needs. These costs are becoming increasingly difficult to sustain and have resulted in funding shortfalls that have to be compensated through reserves maintained for other projects and activities.

#### SPACE FLIGHT CAPABILITIES

|                                |                 |
|--------------------------------|-----------------|
| Appropriations, 2003 .....     | \$6,165,658,000 |
| Budget estimate, 2004 .....    | 7,782,100,000   |
| Committee recommendation ..... | 7,582,100,000   |

#### GENERAL DESCRIPTION

NASA’s “Space Flight Capabilities” [SFC] account provides for the Space Flight and Crosscutting Technology Programs. The Space Flight Program includes the International Space Station [ISS], the Space Shuttle Program, and Space and Flight Support. The Crosscutting Technology Program includes Space Launch Initiative, Mission & Science Measurement Technology, and Commercial Technology Partnerships.

The SFC appropriation includes both the direct and the indirect costs supporting the Programs, and provides for all of the research; development; operations; salaries and related expenses; design, repair, rehabilitation, and modification of facilities, and construction of new facilities; maintenance, and operation of facilities; and other general and administrative activities supporting the Space Flight Capabilities programs.

#### COMMITTEE RECOMMENDATION

The Committee has provided \$7,582,100,000 for the Space Flight Capabilities account. This amount is \$200,000,000 below the President’s request for these activities in fiscal year 2004 and \$1,416,442,000 above the fiscal year 2003 enacted level.

*Space Shuttle.*—The Committee believes there is no higher priority than improving the safety and reliability of the remaining Shuttle orbiters. The Shuttle remains the cornerstone of our Nation’s heavy launch capability and is critical to the future of the International Space Station [ISS] and scientific research. The future of the ISS, and other U.S. manned space flight missions for the rest of the decade are contingent upon having a working Shuttle fleet that is as safe as possible. While it is expected that NASA

will do its best work at making the Shuttle a safe vehicle, it will face increasing challenges as the Shuttle and the Shuttle infrastructure continue to age.

The Committee notes that prior to the Columbia accident, both the Shuttle and the supporting infrastructure were expected to need substantial investments in future years in order to maintain the integrity of the Shuttle program. Now that the CAIB has released its final findings, it is expected that NASA will establish an aggressive schedule and provide sufficient resources to upgrade Shuttle hardware and supporting infrastructure in fiscal year 2004 and beyond.

As discussed in previous years, the Committee remains committed to the continued safety of the Shuttle program as its highest priority and looks forward to addressing the recommendations of the CAIB and working with NASA in order to provide the necessary funds to ensure the future success of the shuttle fleet. It is of paramount importance that there be transparency in all documentation of shuttle safety provided to the Committee, and that this information contain details of NASA's current safety efforts, as well as any future plans that may develop out of the CAIB report.

Moreover, now that the recommendations of the CAIB have become available, and NASA has the opportunity to decide on how best to implement fixes in order to return the shuttle to flight, the Committee directs NASA to keep the Committee informed, in writing, of any reprogramming of funds related to the shuttle program, as well as including the outyear impacts on all activities involved in the reprogramming.

The Committee is very concerned that the NASA response to the CAIB report will require a major restructuring of the Shuttle program if not the entire agency. These reforms also are likely to require substantial additional funds which the Committee expects will be consistent with the comprehensive plan requested by the Committee for the reform of the shuttle program and agency. Nevertheless, the Committee is confident in the ability of the strong leadership in place at NASA and looks forward to working with NASA to ensure a safe and successful return to flight.

The Committee believes that implementing the recommendations of the CAIB, particularly as it pertains to the management of the HEDS Enterprise, will be the greatest challenge facing the agency. The list of potential recommendations and their impact on NASA's entire management structure could have a profound impact on NASA's future. Under current plans, NASA believes the Shuttle will need to fly until the year 2020. During the next decade, NASA also has plans to launch the Orbital Space Place, or some other vehicle to supplement the Shuttle, to support the operation of the Space Station. With NASA planning to manage two manned vehicles in the near future, the Committee believes it is absolutely critical that NASA implement the safety recommendations of the CAIB as they pertain to the management of the HEDS Enterprise.

Due to the uncertainty of how NASA intends to implement the final CAIB recommendations for the return to flight of the Shuttle, the Committee recommends that funding for the Shuttle be \$3,968,400,000, the same as the level within the request of the ad-

ministration. This will allow NASA to have funds readily available to make a return to flight as soon, and as safely as possible.

More importantly, the shuttle funds are provided as a discrete budget line, with this account dedicated solely to shuttle funding needs. NASA may seek additional funds by transfer from the ISS funds within this account.

The Committee directs NASA to continue its oversight of the contractors involved with all aspects of the Shuttle and its infrastructure. While NASA ultimately bears the responsibility for assuming the safety and integrity of the Shuttle program, it also relies upon contractors to do a vast majority of the work. The oversight role that NASA plays cannot be taken lightly, but it is all who are involved in the Shuttle program that must bear responsibility for making the program as safe as possible to insure the success of the Shuttle program.

The Committee is concerned about the current inventory of parts for the shuttle fleet. With the need for specialized equipment in order to maintain the safety of the remaining shuttle fleet, it is expected that NASA have appropriate inventory of parts available in order to keep the orbiter fleet from experiencing further delay. The reliance on the Shuttle for at least the next decade and beyond should be reason enough to ensure appropriate levels of replacement parts in order to keep shuttles flying on schedule once the shuttle program has returned to flight. The Committee directs NASA to provide the Committee with a report detailing the shortfalls in shuttle part inventory, the plans on how to correct these shortfalls, and the cost implications of keeping adequate resources available. This report should be submitted to the Committee no later than 60 days after enactment of this bill.

The Committee notes its strong support and approval of the actions of the current Administrator, Mr. Sean O'Keefe, whose leadership has been instrumental in moving NASA beyond the Columbia tragedy and in a position where it will be able to make a successful return to flight. Mr. O'Keefe made numerous reforms to the administration of NASA programs before the Columbia tragedy and has continued these efforts with regard to both the Shuttle program and all other aspects of NASA program administration and management.

On May 12, 2003, the Administrator re-established the Space Flight Advisory Committee [SFAC]. The Committee supports the re-activation of this Committee and believes its mission is more important than ever. Before and after the creation of an independent oversight board by Congress, the Committee believes SFAC can serve a valuable role by providing the Congress with an independent assessment of the Agency's progress in implementing the recommendations of the CAIB as well as an overall assessment of the Shuttle program. The Committee directs the SFAC to report directly and independently to the Congress by April 1, 2004 on NASA's implementations of the CAIB recommendations as well as an overall assessment of the Shuttle program. The Committee provides \$3,000,000 to the SFAC from within available funds for this purpose.

The Committee finds that the Aerospace Safety Advisory Panel, a commission established by statute after the Apollo fire, did not

materially factor into the intended effort to provide clear “warning signs” prior to the Columbia accident, nor did it provide the required checks and balances in its review of the safety procedures at NASA to observe the culture deficiencies cited by the Columbia Accident Investigation Board. As such, the Administrator should reconstitute this statutory panel to appoint recognized safety, management and engineering experts from industry and academia with a renewed charge to provide the checks and balances necessary. This should include, but not be limited to, an examination of the annual budget for shuttle operations, management and safety to advise of its adequacy prior to the annual budget submission. The Administrator should appoint leading experts in these fields, and consider drawing from the “Stafford-Covey Task Group” Return To Flight membership. Further, the Safety Advisory Panel shall also provide the Committee with a report, at the time of the annual budget submission, in order for the Committee to better assess the budget for the Shuttle program in terms of safety, upgrades, operations, and overall management of the Shuttle program.

The Committee also expects regular consultations by NASA on all proposed changes to investments in the Shuttle program. These consultations should occur before final decisions are made to the program.

*Space Station.*—The International Space Station [ISS] was expected to reach a significant milestone in February of 2004 of core complete. With seven shuttle flights necessary for the construction of the ISS to reach core complete, there is still a significant amount of assembly and logistical support needed in order to reach this construction milestone.

Instead, of reaching core complete, the ISS is now being regularly transported by and supplied through Russian built Progress and Soyuz capsules. While these capsules are capable to transport both crew and supplies, the Committee is concerned that reliance on these vehicles, while not optimal, may have to continue for an extended time into the future.

The Committee also is concerned about the present situation aboard the ISS which involves a 2 person crew with approximately 120 hours a week of availability for activities. According to NASA, of those 120 hours, 111 are consumed by activities that do not utilize the science endeavors that the ISS is being constructed to facilitate. During these 111 hours, astronauts are engaged in activities involving maintenance, planning, and ISS systems operation. While these activities are crucial for the on-board operation of the ISS, there are only 9 hours a week available to the crew for continuing to support prioritized science activities.

The Committee recognizes that the Aerospace Safety Advisory Panel has analyzed the risks involved in maintaining a crew of two on the ISS and has determined that a crew of two is feasible. Given the potential of having crews of two aboard the ISS for an undetermined amount of time, the Committee asks that resources to continue to keep a crew at the ISS be identified and made available as NASA works through the recommendations of the CAIB report. The reliance on ISS partners to provide the resources to procure vehicles that are now even more essential than planned should allow the ISS partners the opportunity to further show their com-



mitment to the ISS, as well as give NASA the opportunity to take the time necessary to make modifications to the Shuttle for continued construction of the ISS.

As soon as the Shuttle is available to provide access to the ISS, the Committee is adamant that NASA provide the Committee with a plan detailing the steps necessary to reach US Core Complete, as well as the outyear costs associated with the revised schedule.

*Space Launch Initiative.*—The Space Launch Initiative [SLI] began in 2001 as a key component of the ISTP, with a goal to provide the necessary technology development, risk reduction, and systems analysis to enable NASA to proceed into full scale development of a 2nd Generation Reusable Launch Vehicle. The goal of SLI is to provide safe, reliable, and affordable access to space and to extend the boundaries of human space flight. SLI consists of two significant programs, the Orbital Space Plane [OSP], and the Next Generation Launch Technology [NGLT] program.

The Committee understands that the role of the OSP is to provide a crew return capability from the ISS by approximately 2010. Once this occurs, it will then evolve into a complement to the Shuttle for taking crew into space, and will enable a transition path to future reusable launch vehicle systems. It is expected that the OSP program will provide the opportunity to support crew transport to and from space by 2012. It is clear to the Committee that some type of vehicle will be necessary to supplement the aging Shuttle fleet, and that such a vehicle should be made available as quickly, and as safely as possible.

The Committee is skeptical that the OSP is the only approach for NASA to move astronauts to and from the ISS. As previously noted, the ISS is currently being serviced, and crews are being transferred using Russian vehicles. This technology has been employed by NASA for a number of missions, and the ISS has relied on these vehicles since the Columbia tragedy and we continue to expect to rely on these Russian vehicles at least for the near term. Therefore, NASA should not limit itself to RLV technology alone, but should also explore other future options for servicing the ISS in light of the loss of Columbia.

The Committee does not want to repeat the mistakes of the Space Station, where poor management and lack of independent oversight resulted in major cost overruns, to occur with the Orbital Space Plane. Therefore, the Committee directs the Administrator to create an independent oversight committee, modeled after the International Space Station Management and Cost Evaluation Task Force, to examine the design, technology readiness and cost estimates for the Orbital Space Plane. The Administrator shall use available funds within the Science, Aeronautics and Exploration account to provide sufficient resources for this Commission this fiscal year. This oversight committee shall report to the Administrator and the Committees on Appropriations by June 1, 2004 on their findings.

The NGLT program is experimental in nature and was created from the consolidation of the remaining technology development activities from the former Second Generation RLV with the Space Transfer and Launch Technology Program to ensure a coordinated technology effort. The goal of the NGLT program is to develop tech-

nology to make next generations of launch systems more affordable and more reliable, in support of the Agency's Integrated Space Transportation Plan. It is anticipated that, as the high risk technologies are developed and further refined, they will be moved into programs at NASA that will utilize the results, thus freeing NGLT to pursue other technologies. The Committee instructs NASA to determine the best candidates for the NGLT, as well as when these technologies will be able to be used in conjunction with other NASA activities. It is also assumed that if technologies being developed are not progressing as intended, that a thorough review of each project will occur, and that those projects showing a lack of progress will be terminated.

In particular, the Committee is concerned that NASA has not maintained control over its investment in NGLT. The Committee believes out-year costs cannot be maintained at the current level assuming the current projections on the out-year funding for other NASA priorities.

The Committee directs NASA to submit a report by January 31, 2004 on the outyear costs for projects within the NGLT program, the criteria being used to select technologies for investment, and the metrics used to determine whether projects within NGLT are progressing, or should be permanently shut down.

#### SCIENCE, AERONAUTICS, AND EXPLORATION

|                                |                 |
|--------------------------------|-----------------|
| Appropriations, 2003 .....     | \$9,147,815,000 |
| Budget estimate, 2004 .....    | 7,660,900,000   |
| Committee recommendation ..... | 7,730,507,000   |

#### PROGRAM DESCRIPTION

NASA's "Science, Aeronautics and Exploration" [SAE] account provides funding for the Space Science, Earth Science, Biological and Physical Research, Aeronautics and Education Programs. The SAE appropriation includes both the direct and the indirect costs supporting the Programs, and provides for all of the research; development; operations; salaries and related expenses; design, repair, rehabilitation, and modification of facilities and construction of new facilities; maintenance and operation of facilities; and other general and administrative activities supporting SAE programs.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$7,730,507,000 for the Science, Aeronautics and Exploration account, an increase of \$69,607,000 above the President's request and \$1,417,308,000 below the fiscal year 2003 enacted level.

*Space Science.*—The activities of NASA's Space Science Enterprise seek to chart the evolution of the universe, from origins to destiny, and understand its galaxies, stars, planetary bodies, and life. The Enterprise asks basic questions that have eternally perplexed human beings, such as how the universe began and evolved and whether there is other intelligent life in the universe. The Space Science Enterprise develops space observatories and directs robotic spacecraft into the solar system and beyond to investigate the nature of the universe.

The quest for this information, and the answers themselves, are intended to maintain scientific leadership, excite and inspire our society, strengthen education and scientific literacy, develop and transfer technologies to promote U.S. competitiveness, foster international cooperation to enhance programs and share their benefits, and set the stage for future space ventures.

The opportunities presented under the new Project Prometheus are both compelling and will be revolutionary to how space research is done. The additional power resources developed through nuclear power will provide scientists with unprecedented ability to collect data through powerful scientific instruments. The Jupiter Icy Moons Orbiter [JIMO] will use breakthrough nuclear propulsion and power systems to fuel an ambitious mission to Jupiter's icy moons, which scientists believe may harbor organic material, and lay the groundwork for even more ambitious exploration missions in the coming decades. The technology to develop such capabilities does not come easily, or without the need for substantial resources. It has been estimated that the cost of Project Prometheus through 2012 will be on the order of \$8,000,000,000 to \$9,000,000,000. This ambitious project, and the resources it will consume, will require NASA to make trade-offs over the next decade, but if successful, could change the potential scientific payoff for all missions after a successful JIMO mission.

The Committee is concerned that the current uncertainties in the mission design, and the dependence on the development of new technologies for success, will cause Prometheus to incur additional unanticipated costs and potential delays. The Committee directs NASA to provide specific milestones and funding paths for all elements of Project Prometheus, and to report on these items, with any updated funding and out-year implications on a quarterly basis. Again, NASA needs to provide the Committee with an analysis of all out-year costs, including those targeted to shuttle reform, as to how NASA will accommodate the projected budgets of all NASA programs, including reserves. A report on these costs based on a 10-year funding profile is due no later than May 1, 2004.

The Committee has made the following adjustments to the budget request:

A decrease of \$20,000,000 for the JIMO. The Committee notes that JIMO received \$20,000,000 in unanticipated funding in fiscal year 2003. This funding was done in advance of the new initiative and is considered to have been used to initiate JIMO earlier than previously planned by NASA. The \$72,600,000 recommended by the Committee, when combined with the advance funding of \$20,000,000 from the previous year will provide NASA with the full requested amount, albeit over a 2-year period.

The Committee has made the following adjustments to the budget request:

An increase of \$3,000,000 for Solar Probe mission within available funds;

An increase of \$1,000,000 to Utah State University, Logan, Utah for the Calibration Center;

An increase of \$1,500,000 to Montana State University-Bozeman for the Center for Studying Life in Extreme Environments;

An increase of \$750,000 to Montana State University-Bozeman for the Space Science and Engineering Lab;

An increase of \$1,000,000 to the University of Idaho in Moscow, Idaho for advanced microelectronics and biomolecular research;

An increase of \$1,500,000 to Glenn Research Center for Advance Power Systems Institute;

An increase of \$2,000,000 to New Mexico State University for the ultra-long balloon program to augment planned flights and technology development;

An increase of \$2,000,000 to Texas Tech University in Lubbock, Texas for equipment at the Experimental Sciences Building;

An increase of \$1,000,000 to the University of Texas, Austin for nanomedicine;

An increase of \$1,000,000 to Texas A&M University in College Station for the Space Engineering Institute;

An increase of \$2,000,000 for Stennis Space Center for the commercial technology program;

An increase of \$1,400,000 to the University of New Orleans, Louisiana for the Composites Research Center of Excellence and for the development of advanced metallic joining technologies at Michoud Space Center;

An increase of \$2,500,000 to Marshall University, Bridgeport, West Virginia for the Hubble Telescope Project;

An increase of \$2,300,000 to the University of North Dakota, Grand Forks, North Dakota for the Northern Great Plains Space Science and Technology Center;

An increase of \$2,000,000 for University of Maryland, Baltimore County for photonics research.

*Earth Science.*—The activities of NASA's Earth Science Enterprise seek to understand the total Earth system and the effects of humans on the global environment. This pioneering program of studying global climate change is developing many of the capabilities that will be needed for long-term environment and climate monitoring and prediction. Governments around the world need information based on the strongest possible scientific understanding. The unique vantage-point of space provides information about the Earth's land, atmosphere, ice, oceans, and biota as a global system, which is available in no other way. In concert with the global research community, the Earth Science Enterprise is developing the understanding needed to support the complex environmental policy decisions that must be addressed.

The Committee has made the following adjustments to the budget request:

A decrease of \$11,000,000 from Global Climate Change Research Initiative;

A decrease of \$15,000,000 from Earth Science Applications;

An increase of \$11,000,000 for mission formulation studies for EOS follow-on missions;

An increase of \$25,000,000 for EOSDIS Core System Synergy Program.

*Future EOSDIS.*—The Committee supports NASA's decision to guarantee that the future data system will be evolutionary in nature. Such an approach must maximize the utilization of the existing operational ground system while allowing for the introduction

of new capabilities as new technologies develop. Utilizing the existing EOSDIS Core System, the Committee expects NASA to develop the initial baseline architecture and information technology blueprint for this system. The architecture should guarantee the system's resilience to accommodate various flight models and schedules, as well as permit the maximum number of end users from the scientific, educational, governmental and commercial sectors.

An increase of \$1,500,000 to George Mason University, Fairfax, Virginia for the Center for Earth Observing and Space Research Mid-Atlantic Geospatial Information Consortium;

An increase of \$1,000,000 to Utah State University, Logan, Utah for the Intermountain Region Digital Image Archive and Processing Center;

An increase of \$2,500,000 to the University of Mississippi for the Enterprise for Innovative Geospatial Solutions;

An increase of \$2,000,000 to Mississippi State University for the Geospatial and Natural Resources Institute;

An increase of \$1,600,000 to the University of New Mexico for the Center for Rapid Environmental Assessment and Terrain Evaluation;

An increase of \$3,000,000 for the University of Alaska for weather and ocean research;

An increase of \$1,000,000 for the Pacific Northwest Collaboratory at the Pacific Northwest National Laboratory to demonstrate real-time applications of earth science data.

*Biological and Physical Research.*—NASA's Biological and Physical Research [BPR] Enterprise recognizes the essential role biology will play in the 21st century and pursues the core of biological and physical sciences research needed to support NASA's strategic objectives. BPR fosters and enhances rigorous interdisciplinary research, closely linking fundamental biological and physical sciences in order to develop leading-edge, world-class research programs. BPR uses the unique characteristics of the space environment to understand biological, physical, and chemical processes, conducting science and technology research required to enable humans to safely and effectively live and work in space, and transferring knowledge and technologies for Earth benefits. BPR also fosters commercial space research by the private sector toward new or improved products and/or services on Earth, in support of the commercial use of space.

In previous years, the Committee has expressed its intent that scientific research remain one of NASA's top priorities. However, delays in the construction of the Station and the current stand down of the Shuttle fleet have significantly reduced the opportunities for life and microgravity research in the near term. The Committee urges NASA to resume, as practically as possible, scientific research in this area, as well as to fully employ all resources currently available to further research in this area until regular operations on the ISS are resumed.

The Committee has made the following adjustments to the budget request:

An increase of \$1,000,000 to Glenn Research Center for the John Glenn Biomedical Engineering Consortium;

An increase of \$1,250,000 to Space Sciences Inc. for microgravity related pharmaceutical development;

An increase of \$2,500,000 for Marshall Space Flight Center for the Propulsion Materials Microgravity Research project;

An increase of \$2,000,000 for the University of Missouri Bioinformatics Consortium for equipment purchase;

An increase of \$1,500,000 for Truman State University Life Sciences for laboratory equipment.

*Aero-Space Technology.*—NASA's Aerospace Technology Enterprise works to maintain U.S. preeminence in aerospace research and technology. The Enterprise aims to radically improve air travel, making it safer, faster, and quieter as well as more affordable, accessible, and environmentally sound. The Enterprise is also working to develop more affordable, reliable, and safe access to space; improve the way in which air and space vehicles are designed and built; and ensure new aerospace technologies are available to benefit the public.

NASA's Aeronautics program pioneers the identification, development, verification, transfer, application, and commercialization of high-payoff aeronautics technologies. NASA also supports the development of technologies to address airport crowding, aircraft engine emissions, aircraft noise, and other issues that could constrain future U.S. air system growth.

The Committee is concerned with the steady decline during recent years in the aeronautics research and technology request. NASA's failure to reverse this trend over the next several years is even more alarming. Further, the United States faces major foreign competition in the commercial aviation arena. The Europeans have stated in their "Vision 2020," that they intend to dominate the commercial aviation global market by 2020 through their investment in aeronautics R&D. The Committee feels that the vitality of U.S. aviation should not be left behind. The Committee is committed to the research NASA conducts in aeronautics, and to the benefits, both in safety and economically, that will be made available to the public through NASA led research.

The Committee also supports NASA's investment in the Mobile Broadband Network and urges NASA and the Ames Research Center to work with the Department of Homeland Security to continue research into highly secure communications systems that will benefit local, State and Federal governments.

The Committee urges NASA to move forward with implementation of the Wallops Flight Facility Mission 2005 Strategic Plan and encourages further cooperation between Wallops and the Marshall Space Flight Center.

The Committee has made the following adjustments to the budget request:

An increase of \$5,000,000 for the development of an aeronautics research budget covering the next 5 years. It is expected that air traffic management will also be included within this budget. Funds shall be allocated to the National Institute for Aerospace for contracting with industry and academia to prepare such a budget plan no later than March 1, 2004;

An increase of \$15,000,000 for future aircraft research with a priority on supersonic flight technologies;

An increase of \$15,000,000 for future aviation systems including a priority on aviation security and air traffic management;

An increase of \$15,000,000 for continued development of flight technologies with direct application to military vehicles;

An increase of \$3,000,000 to Wichita State University, Wichita, Kansas for the National Center for Composite Materials Performance;

An increase of \$1,000,000 to Wichita State University, Wichita, Kansas for the Critical Aircraft Icing project;

An increase of \$2,000,000 to Glenn Research Center for the commercial technology program;

An increase of \$2,500,000 to Stennis Space Center for infrastructure improvements;

An increase of \$1,000,000 to Stennis Space Center for relocation of the visitors center. NASA is also directed to submit a funding plan to the Committee for the visitors center;

An increase of \$1,000,000 to the Delaware Aerospace Education and Foundation, Kent County, Delaware;

An increase of \$2,000,000 to Wheeling Jesuit University for the National Technology Transfer Center.

*Academic Programs.*—The objective of NASA's academic programs is to promote excellence in America's education system through enhancing and expanding scientific and technological competence. Activities conducted within academic programs capture the interest of students in science and technology, develop talented students at the undergraduate and graduate levels, provide research opportunities for students and faculty members at NASA centers, and strengthen and enhance the research capabilities of the Nation's colleges and universities. NASA's education programs span from the elementary through graduate levels, and are directed at students and faculty. Academic programs includes the Minority University Research Program, which expands opportunities for talented students from underrepresented groups who are pursuing degrees in science and engineering, and to strengthen the research capabilities of minority universities and colleges.

The Committee recommends the following adjustments to the budget request:

An increase of \$600,000 to the Challenger Center in Kenai, Alaska;

An increase of \$1,000,000 to the Virginia Commonwealth University, Richmond, Virginia for advance research in batteries and fuel cells;

An increase of \$1,500,000 to the University of Montana in Missoula, Montana for the National Space Privatization Program;

An increase of \$2,000,000 for the Denver Museum of Nature and Science in Denver, Colorado for equipment for the Space Science Museum;

An increase of \$1,500,000 for the Adventure Science Center in Nashville, Tennessee for the Sudekum Planetarium;

An increase of \$500,000 for the University of Northern Iowa in Cedar Falls, Iowa for the Existing Business Enhancement Program;

An increase of \$1,300,000 for Iowa State University for the PIPELINES Project;

An increase of \$1,000,000 for the Metropolitan School District of Decatur Township Indiana for the Challenger Learning Center Expansion;

An increase of \$1,700,000 for Northern Kentucky University/University of Louisville for a digital science center;

An increase of \$2,000,000 for the University of Alabama in Huntsville for the Center for Modeling Simulation and Analysis;

An increase of \$1,000,000 for the Oregon Museum of Science and Industry for the space science education distance learning program;

An increase of \$1,000,000 for Southeast Missouri State University for the NASA ERSC Outreach Project;

An increase of \$1,500,000 for Dominican University's Center for Science and Technology for project based learning;

An increase of \$200,000 to Wheeling Jesuit University for Classroom of the Future;

An increase \$2,000,000 to the University of Connecticut for the Center for Land Use Education and Research;

An increase of \$2,000,000 to Iowa State University, Ames, Iowa for non-destructive evaluation studies;

An increase of \$500,000 to the Des Moines Science Center, Des Moines, Iowa;

An increase of \$2,000,000 for the School of Science and Mathematics at the College of Charleston, Charleston, South Carolina;

An increase of \$3,000,000 to the University of Hawaii, Hilo for the Mauna Kea Astronomy Education Center;

An increase of \$1,500,000 to Space Education Initiative, Wisconsin for the Wisconsin Geoscience Education initiative;

An increase of \$1,000,000 to the Youth Achievers Committee of New Jersey, Burlington County, New Jersey for the Youth Achievers Committee Science and Math Initiative;

An increase of \$500,000 to the University of Vermont, Burlington, Vermont for the Center for Advanced Computing;

An increase of \$1,000,000 to Wayne State University, Detroit, Michigan for the Center of Smart Sensors and Integrated Microsystems;

An increase of \$1,000,000 for Wellpinit School District in Wellpinit, Washington for the Virtual Classroom Project;

An increase of \$1,500,000 for the Mitchell Institute, Portland, Maine for science and engineering education.

OFFICE OF INSPECTOR GENERAL

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$25,434,000 |
| Budget estimate, 2004 .....    | 26,300,000   |
| Committee recommendation ..... | 26,300,000   |

PROGRAM DESCRIPTION

The Office of Inspector General was established by the Inspector General Act of 1978. The Office is responsible for providing agency-wide audits and investigative functions to identify and correct management and administrative deficiencies which create conditions for existing or potential instances of fraud, waste, and mismanagement.



## COMMITTEE RECOMMENDATION

The Committee recommends \$26,300,000 for fiscal year 2004, the same as the budget request and \$866,000 above the fiscal year 2003 enacted level. The Committee commends the NASA IG's diligence in addressing issues of fraud and abuse.

As a high profile agency within the Federal Government, NASA has been the target of numerous attacks against its IT infrastructure. The NASA IG has waged a battle with the sole purpose of being able to provide cyber-security for NASA in order to keep the data collected by the agency safe. With this effort in mind, the Committee notes its awareness that there are technologies that have been developed commercially to provide vulnerability management that can help identify network susceptibility to intrusion and to reduce risk exposure. For example, nCircle has a product that provides real time analysis of network vulnerabilities, and System Detection Inc. has developed software that identifies anomalies in computer networks. Other IT related products are also available and could be of benefit to NASA, and to other agencies, in maintaining a high degree of IT security. The Committee urges NASA, and the NASA OIG, in particular, to assess the effectiveness of these technologies and to use appropriate funding for procurement if such technologies are determined to be beneficial to NASA's IT security. In particular, because of the high commitment of the NASA IG to computer security, the Committee directs the IG to assess the status of computer security within NASA and the IT that is available in the marketplace, and to report to the Congress by May 15, 2004 on overall IT weaknesses within NASA.

The Committee also directs the NASA IG to review NASA's contract procedures and conventions to determine if there are ways to reform the process and reduce the costs of NASA programs and activities. In particular, many NASA contract provisions require NASA to pay for significant cost overruns and, in cases of program delays, significant costs associated with staffing that appears to be maintained solely to ensure the preservation of the institutional memory for the delayed program or activity. The Committee agrees that institutional memory is critical to the success of many if not all NASA programs which are in most cases exceedingly complex. Nevertheless, these costs are substantial and, in some cases, may be unwarranted or unnecessary. As a result, the Committee believes that contract reform should be considered a priority as part of NASA's overall restructuring in response to the CAIB. The Committee expects the NASA IG to work with NASA to identify and implement reform of NASA's contract process and procedures. The NASA IG is directed to report on these efforts and issues no later than June 1, 2004.

## ADMINISTRATIVE PROVISIONS

The Committee recommendation includes a series of provisions, proposed by the administration, which are largely technical in nature, concerning the availability of funds. These provisions have been carried largely, in prior-year appropriation acts.

NASA has continued to ask Congress to look at the human capital challenges within the agency. The Committee is aware that the

Senate has, for its consideration, S. 610 that addresses the tools NASA deems necessary to address human capital needs at the agency and will monitor the progress of this legislation. The Committee is also aware of the challenges faced by NASA in the area of human capital and is conscious of the over 3-to-1 ratio of workers over 60 to those who are under 30. This imbalance did not appear suddenly, but has come about over time and will likely take time to correct. This also is a Government-wide problem and is consistent with projected retirements at other agencies throughout the Government. In addition, the human capital options that NASA desires will have more than an impact on the workforce at NASA, it will also have a budgetary impact if the proposed changes are enacted. Therefore, the Committee directs NASA to provide a report that quantifies the budgetary impacts of the changes to the hiring and retention of human capital, and the effects of such spending in the outyears, as proposed by NASA and expects this report to be provided to the Committee no later than 30 days after the enactment of this bill.

The Committee is also concerned about the management structure at NASA. The CAIB report contains comments about the management structure of the shuttle program and possibly NASA as a whole. The Committee believes that now is an appropriate time to conduct a complete review of NASA's organizational, programmatic, and personnel structures. The Committee is particularly interested in reviewing the field and headquarters organizational structures, business processes, human resources management, and program structures and operations. It is expected that this review will take into account any recommendations of the CAIB, as well as the proposed human capital issues contained in NASA's report that is due no later than 30 days after the enactment of this bill. The Committee has allocated \$2,000,000 within the amounts appropriated to NASA for a contract with the National Academy of Public Administration (the Academy) to conduct this study. The Committee understands that NASA is already working with NAPA on developing a study and commends NASA for these efforts. Consequently, the Committee expects NASA to award this contract to the Academy within 3 months after the signing of NASA's fiscal year 2004 appropriation bill, and that the Academy will issue a final report no later than 18 months after the signing of the contract.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

|                                | Direct loan limitation | Administrative expenses |
|--------------------------------|------------------------|-------------------------|
| Appropriations, 2003 .....     | \$1,500,000,000        | \$309,000               |
| Budget estimate, 2004 .....    | 1,500,000,000          | 310,000                 |
| Committee recommendation ..... | 1,500,000,000          | 310,000                 |

PROGRAM DESCRIPTION

The National Credit Union Administration [NCUA] Central Liquidity Facility [CLF] was created by the National Credit Union Central Liquidity Facility Act (Public Law 95-630). The CLF is a

mixed-ownership Government corporation managed by the National Credit Union Administration Board and owned by its member credit unions.

The purpose of the facility is to improve the general financial stability of credit unions by meeting their seasonal and emergency liquidity needs and thereby encourage savings, support consumer and mortgage lending, and provide basic financial resources to all segments of the economy. To become eligible for facility services, credit unions invest in the capital stock of the CLF, and the facility uses the proceeds of such investments and the proceeds of borrowed funds to meet the liquidity needs of credit unions. The primary sources of funds for the CLF are stock subscriptions from credit unions and borrowings.

The CLF may borrow funds from any source, with the amount of borrowing limited to 12 times the amount of subscribed capital stock and surplus.

Loans are available to meet short-term requirements for funds attributable to emergency outflows from managerial difficulties or local economic downturns. Seasonal credit is also provided to accommodate fluctuations caused by cyclical changes in such areas as agriculture, education, and retail business. Loans can also be made to offset protracted credit problems caused by factors such as regional economic decline.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of limiting administrative expenses for the Central Liquidity Fund [CLF] to \$310,000 in fiscal year 2004. The Committee recommends a limitation of \$1,500,000,000 for the principal amount of new direct loans to member credit unions. These amounts are the same as the budget request. Funds provided for administrative expenses are \$1,000 above the fiscal year 2003 enacted level.

The Committee directs the National Credit Union Administration [NCUA] to continue to provide reports on the lending activities under CLF. This information should be provided to the Committee on a quarterly basis through September 2004.

COMMUNITY DEVELOPMENT REVOLVING LOAN FUND

|                                |           |
|--------------------------------|-----------|
| Appropriations, 2003 .....     | \$993,000 |
| Budget estimate, 2004 .....    | 1,000,000 |
| Committee recommendation ..... | 1,500,000 |

PROGRAM DESCRIPTION

The Community Development Revolving Loan Fund Program [CDRLF] was established in 1979 to assist officially designated "low-income" credit unions in providing basic financial services to low-income communities. Low-interest loans and deposits are made available to assist these credit unions. Loans or deposits are normally repaid in 5 years, although shorter repayment periods may be considered. Technical assistance grants are also available to low-income credit unions. Until fiscal year 2001, only earnings generated from the CDRLF were available to fund technical assistance grants. Grants are available for improving operations as well as addressing safety and soundness issues.

COMMITTEE RECOMMENDATION

The Committee provides \$1,500,000 for loans and technical assistance to community development credit unions. This funding level is \$500,000 above the budget request and the fiscal year 2003 enacted level. The Committee has provided additional funds to provide additional technical assistance grants to low-income credit unions in rural areas.

The Committee’s recommendation includes \$700,000 for loans to community development credit unions and \$800,000 for technical assistance to low-income and community development credit unions. The Committee supports NCUA’s outreach to low-income, rural and underserved communities through the Technical Assistance Grants program. The Committee encourages NCUA to continue to develop technical assistance efforts in rural areas in order to assist in the further expansion of basic financial and related services to members which otherwise might not be available in the community. The Committee also supports NCUA’s efforts in providing an alternative to predatory lenders by consistently reaching out to offer financial services, products, and education in the community.

NATIONAL SCIENCE FOUNDATION

|                                |                 |
|--------------------------------|-----------------|
| Appropriations, 2003 .....     | \$5,309,951,000 |
| Budget estimate, 2004 .....    | 5,481,200,000   |
| Committee recommendation ..... | 5,585,760,000   |

GENERAL DESCRIPTION

The National Science Foundation was established as an independent agency by the National Science Foundation Act of 1950 (Public Law 81–507) and is authorized to support research and education programs that promote the progress of science and engineering in the United States. The Foundation supports research and education in all major scientific and engineering disciplines, through grants, cooperative agreements, contracts, and other forms of assistance awarded to more than 2,000 colleges and universities, nonprofit organizations, small businesses, and other organizations in all parts of the United States. The Foundation also supports international programs and unique, large scale, national user research facilities.

COMMITTEE RECOMMENDATION

The Committee recommends \$5,585,760,000 for the National Science Foundation for fiscal year 2004. This amount is \$275,810,000 more than the fiscal year 2003 enacted level and \$104,560,000 above the budget request.

The Committee continues to be supportive of the efforts achieved in the National Science Foundation Authorization Act of 2002 (Public Law 107–368) and the pursuit of a doubling path for NSF funding. However, due to funding constraints, the Committee is not able to provide such funding at this time, but will continue to pursue these efforts in the future.

The Committee notes that productivity growth, powered by new knowledge and technological innovation, makes the economic bene-

fits of a comprehensive fundamental research and education enterprise abundantly clear. New products, processes, entire new industries, and the employment opportunities that result, depend upon rapid advances in research and their equally rapid movement into the marketplace. In today's global economy, continued progress in science and engineering and the transfer of the knowledge developed is vital if the United States is to maintain its competitiveness.

The Committee reiterates its long standing requirement for reprogramming, initiation of new programs or activities, and reorganizations. The Committee directs the Foundation to notify the chairman and ranking minority member prior to each reprogramming of funds in excess of \$250,000 between programs, activities, or elements unless an alternate amount is specified elsewhere by the Committee. The Committee expects to be notified of reprogramming actions which involve less than the above-mentioned amount if such actions would have the effect of changing the agency's funding requirements in future years or if programs or projects specifically cited in the Committee's reports are affected. Finally, the Committee wishes to be consulted regarding reorganizations of offices, programs, and activities prior to the planned implementation of such reorganizations.

RESEARCH AND RELATED ACTIVITIES

|                                |                 |
|--------------------------------|-----------------|
| Appropriations, 2003 .....     | \$4,056,460,000 |
| Budget estimate, 2004 .....    | 4,106,360,000   |
| Committee recommendation ..... | 4,220,610,000   |

PROGRAM DESCRIPTION

The research and related activities appropriation addresses the Foundation's three strategic outcomes: people—developing a diverse, internationally competitive and globally-engaged workforce of scientists, engineers, and well-prepared citizens; ideas—enabling discovery across the frontiers of science and engineering, connected to learning, innovation, and service to society; and tools—providing broadly accessible, state-of-the-art information bases and shared research and education tools. Research activities will contribute to the achievement of these outcomes through expansion of the knowledge base; integration of research and education; stimulation of knowledge transfer among academia and the public and private sectors; international activities; and will bring the perspectives of many disciplines to bear on complex problems important to the Nation. The Foundation's discipline-oriented research programs are: biological sciences; computer and information science and engineering; engineering; geosciences; mathematical and physical sciences; and social, behavioral and economic sciences. Also included are U.S. polar research programs and related logistical support and integrative activities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,220,610,000 for research and related activities. This amount is \$164,150,000 above the fiscal year 2003 enacted level and \$114,250,000 above the budget request.

Within the amount for research and related activities, the following specific funding levels for each of NSF's research activities are as follows: \$577,220,000 for Biological Sciences, \$609,390,000 for Computer and Information Science, \$550,000,000 for Engineering, \$692,210,000 for Geosciences, \$1,085,870,000 for Mathematical and Physical Sciences, \$206,740,000 for Social, Behavioral and Economic Sciences, \$273,660,000 for Polar Research Programs, \$68,070,000 for Antarctic Logistical Support, and \$157,450,000 for Integrative Activities.

The Committee supports fully the Foundation's efforts to push the boundaries of science and technology issues, especially in the areas of information technology, biotechnology, and the administration's focus on nanotechnology. The Committee also applauds the Foundation's efforts to address the problem of science and mathematics education among K-12, undergraduate, and graduate students. However, in order for the Foundation to reach successfully its research and education goals, it must reach out to individuals and schools that have not participated fully in NSF's programs. Accordingly, the Committee remains concerned about programs designed to assist minorities, women, and schools that have not received significant Federal support.

To improve planning and priority-setting for the Foundation and improve the Committee's efforts to understand NSF's long-term budgeting, the Committee directs NSF to continue to provide multi-year budgets for all of its multi-disciplinary activities. While the Foundation has provided outyear budgets for projects under its Major Research Equipment and Facilities Construction account, only 1 year budgets have been generally provided for its activities under the R&RA and Education and Human Resources accounts. The Committee is concerned that NSF has taken on more significant initiatives that often require multi-year funding to meet its research goals, but has not provided the Committee with documentation that identifies these types of initiatives and their long-range budget implications. For example, NSF has major efforts in the areas of information technology, biocomplexity, and nanotechnology, as well as funding mid-level projects that do not require funding through the MREFC account that may not need approval of the National Science Board. Accordingly, the Committee directs NSF to include the outyear budget impacts and needs of all these major multi-disciplinary and mid-level activities, in the annual operating plan and in future budget requests.

The Committee recommends \$90,000,000 for the Plant Genome Research Program and supports the Foundation's request for funding the "2010 Project." The Committee expects the Foundation to continue its support for structural and functional plant genomic research on economically significant crops. The Committee directs the Foundation to implement Section 8(3)(c) related to the plant genome program included in the National Science Foundation Authorization Act of 2002 (Public Law 107-368). The Committee expects the Foundation to provide details on its implementation plans in its fiscal year 2004 operating plan. The Committee recognizes the findings of the Interagency Working Group [IWG] on Plant Genomes, which recommended spending at least \$320,000,000 over 5 years in new funds on plant genome research.

The “2010 Project” is expected to create needed genome-wide tools that will lead to more rapid advances in functional genomics research in valuable food crops. The Committee encourages NSF to work with the IWG on Plant Genomes to make use of the important tools that will be developed through the “2010 Project.” The Committee is also excited by NSF’s supported research in nutritional genomics, which will lead to the discovery in plants of key genes controlling metabolic pathways that lead to production of vitamins, essential amino acids, antioxidants, and accumulation of minerals essential for human nutrition. This research could substantially improve the nutritional quality and health benefit of eating normal portions of fruits and vegetables, which would greatly benefit people in developing countries. The Committee encourages NSF and the IWG on Plant Genomes to work together in developing recommendations for the Committee concerning research and training in nutritional genomics.

To further NSF’s major initiatives, the Committee recommends \$25,130,000 in additional funding to enhance its Computer and Information Science and Engineering [CISE] activities. Information Technology Research within CISE is funded at \$233,240,000. The fundamental research done within this program has helped in the understanding of computing, communications, and information systems. The funds provided will further this research in the areas of large-scale networking, new high end architectures, high data volume instruments, and information management. Within the funds for CISE, the Committee also provides \$25,000,000 for cyberinfrastructure in order to enable new types of research based on the massive data resources available to researchers.

The Committee recommends \$275,000,000 for the multi-agency nanotechnology initiative. The Committee believes that the recommended level of funding will allow the Foundation to continue to be the largest Federal agency for this initiative in a field that is still in its beginning stages. This represents an increase of \$25,000,000 above the requested level. Of these additional funds for nanotechnology, the following increases should be added to NSF activities already in the request made by the administration: \$5,000,000 within CISE; \$10,000,000 within Engineering; and \$10,000,000 within Math and Physical Sciences.

There are continued concerns about the Foundation taking on another major interagency initiative when its administrative resources have remained relatively flat. With these concerns in mind, NSF is encouraged to provide the proper resources within NSF to facilitate this Federal leadership role in nanotechnology. The Committee also expects the Foundation to continue working with the Office of Science and Technology Policy in carefully crafting a detailed, rational long-term strategy with performance outcome measurements for the nanotechnology initiative.

The Committee recognizes the significant infrastructure needs of our Nation’s research institutions, especially for smaller research and minority institutions that have not traditionally benefited from Federal programs. The Committee is especially concerned about the larger schools receiving a disproportionate share of scarce Federal resources from indirect cost reimbursements to fund infrastructure needs. As a result, the Committee recommends \$115,000,000 for

the Foundation's Major Research Instrumentation [MRI] account to address the infrastructure needs of research institutions. NSF is encouraged to continue targeting these funds in assisting those research institutions which tend to be underrepresented. To ensure that minority serving institutions are also a focus of MRI funding, within the amount provided for MRI, \$30,000,000 should be used to provide instruction in digital and wireless network technologies, and enhance the Nation's digital and wireless infrastructure at these institutions.

The Committee notes that the Federal Oceanographic Facilities Committee [FOFC] has recognized the impending need to recapitalize the academic research fleet and recently completed, "Charting the Future for the National Academic Research Fleet—A Long Range Plan for Renewal." The report outlines the state of the fleet and charts a path for maintaining fleet capabilities. Because there is no detailed plan outlining how the Government will manage the procurement and construction of the vessels, the Committee directs the Foundation to develop a plan in consultation with all participating agency partners. The plan should be submitted to the Committee no later than 6 months after the enactment of this Act.

The Committee is concerned that NSF has not proposed to maintain adequately its existing astronomy facilities. Support for enhanced operations, maintenance, and development of new instrumentation at the Very Large Array and the Very Long Baseline Array in New Mexico and the Green Bank Telescope in West Virginia continues to be a priority for the Committee. These astronomy facilities need to be supported in their operations, and new instrumentation and upgrades must be provided to keep them as world class facilities. The Committee provides the National Radio Astronomy Observatories [NRAO] \$55,310,000 for annual operations. Also within the increase provided for NRAO, the Committee approves \$9,400,000 specifically to continue the Expanded Very Large Array program, and \$10,300,000 for the Green Bank Observatory. The Committee is also aware that the rail upon which the Green Bank telescope turns is showing premature wear and will require either retrofitting or replacement. For the purpose of engineering studies and cost for repair or replacement, in addition the Committee is providing \$4,600,000 in funding out of the funds provided in the Math and Physical Sciences activity.

The Polar Programs activity receives an increase of \$11,800,000 above the requested amount. Within these additional funds, \$6,000,000 is intended to address unexpected incurred costs associated with additional efforts in providing fuel to research facilities in Antarctica. These necessary efforts included additional ice breaking requirements and additional fuel transportation costs.

The Committee fully supports the Foundation's fiscal year 2004 priority for Arctic research under its Study of Environmental Arctic Change [SEARCH] program. Accordingly, the Committee has provided \$5,800,000 within NSF's Office of Polar Programs to support SEARCH infrastructure needs, including research support for the Barrow Arctic Research facility.

The Committee remains supportive of the International Arctic Research Center in Fairbanks, Alaska and strongly urges the Foundation to continue its support for the center.



The Committee noted in the fiscal year 2002 bill that it was troubled by the recent findings by the National Academy of Public Administration [NAPA] on the Foundation's peer review system. In its February 2001 report, "A Study of the National Science Foundation's Criteria for Project Selection," NAPA found that NSF is unable to assess the criteria to encourage a broader range of institutions or greater participation of under-represented minority researchers. In other words, while NSF claims to be making efforts to assist smaller research institutions and minorities, in practice, this does not occur. NAPA recommended that NSF should institute broader-based review panels by bringing in participants from a wider range of institutions, disciplines, and under-represented minorities. The Committee does not believe NSF has made adequate progress in this matter and directs NSF to institute immediately changes to its peer review process that reflect these recommendations.

The Partnerships for Innovation [PFI] program, which was created in fiscal year 2000, was expected to address the needs of smaller research institutions and other underfunded entities, as well as enhance infrastructure that is necessary to foster and sustain innovation for the long term. The Committee acknowledges that the request for this year is double that from last year and recommends \$10,000,000 for the PFI program, the same as the request by the administration.

Finally, the Committee recognizes the Foundation's funded research in the social, behavioral, and economic sciences [SBE] area. The Committee recognizes that, in conjunction with the 2000 census, the collection of data for the National Survey of College Graduates 2003 will begin and provides the funding necessary to complete this survey. The survey provides data on the scientific and engineering workforce of the country, and occurs once every decade to reflect the results of the Decennial Census. The Committee is also interested in SBE activities intended to raise science literacy, which is a problem in this country that will impact the economic health and competitiveness of the Nation.

The Committee notes that NSF is investing in a multi-year priority area of research in Human and Social Dynamics, and recognizes that this research will play a role in understanding the complex problems facing our Nation.

#### MAJOR RESEARCH EQUIPMENT AND FACILITIES CONSTRUCTION

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$148,538,000 |
| Budget estimate, 2004 .....    | 202,330,000   |
| Committee recommendation ..... | 149,680,000   |

#### PROGRAM DESCRIPTION

The major research equipment and facilities construction appropriation supports the acquisition, procurement, construction, and commissioning of unique national research platforms, research resources and major research equipment. Projects supported by this appropriation will push the boundaries of technology and will offer significant expansion of opportunities, often in new directions, for the science and engineering community. Preliminary design and development activities, and on-going operations and maintenance

costs of the facilities are provided through the research and related activities appropriation account.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$149,680,000 for major research equipment and facilities construction. This amount is \$1,140,000 more than the fiscal year 2003 enacted level and \$52,650,000 below the budget request.

The Committee has provided \$51,040,000 for the Atacama Large Millimeter Array [ALMA], \$43,730,000 for EarthScope, and \$35,460,000 for the IceCube Neutrino Observatory. The Committee has also provided \$10,060,000 for Terascale Computing, \$8,090,000 to continue the construction of the Network for Earthquake Engineering Simulation [NEES], and \$1,300,000 for funding of the current South Pole Station modernization efforts. Due to budgetary constraints, no funding is provided for new starts within this account for fiscal year 2004.

Further, the Committee is awaiting the results of the National Academy of Sciences work on developing a set of criteria that can be used to rank and prioritize the Foundation's large research facilities. The Committee anticipates that the Academy's work will lead to a priority-setting process that is fair and rational. While the Foundation has made some strides in addressing the Committee's concerns that the current process appears subjective and ad hoc, the Committee believes that questions about the process still remain.

The Committee also recognizes the continuing weaknesses in the Foundation's management and oversight of its large research facilities. The Committee is encouraged by the recent hiring of a permanent senior management level official in charge of overseeing NSF's large research facilities and looks forward to working with the new deputy director, the National Science Board, and the NSF Office of Inspector General in addressing the Foundation's management issues.

In addition to funding large research facilities under the major research equipment and facilities construction [MREFC] account, the Foundation supports smaller projects through its research and related activities [R&RA] account. The Committee directs the Foundation, in consultation with the National Science Board, to develop clear and definitive criteria that define projects under both the MREFC and R&RA accounts. Further, the Committee directs the Foundation to identify all equipment, infrastructure-related, and facilities with an estimated cost of over \$5,000,000 in its fiscal year 2005 budget submission to the Congress. Lastly, the Committee directs the Deputy Director of Large Facility Projects to develop immediately internal guidelines and a central tracking system of all research projects, regardless of cost, to ensure adequate oversight.

In fiscal year 2001, the Foundation provided funds to design and model test a vessel to replace the R/V Alpha Helix. With that phase completed, the Committee urges the Foundation to consider the inclusion of funding in its fiscal year 2005 budget to begin construction of a new research vessel to replace the R/V Alpha Helix.

EDUCATION AND HUMAN RESOURCES

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$903,171,000 |
| Budget estimate, 2004 .....    | 938,040,000   |
| Committee recommendation ..... | 975,870,000   |

PROGRAM DESCRIPTION

The education and human resources appropriation supports a comprehensive set of programs across all levels of education in science, technology, engineering and mathematics [STEM]. The appropriation supports activities that unite school districts with institutions of higher learning to improve precollege education. Other precollege activities include development of the next generation of precollege STEM education leaders; instructional materials; and the STEM instructional workforce. Undergraduate activities support curriculum, laboratory, and instructional improvement; expand the STEM talent pool; attract STEM participants to teaching; augment advanced technological education at 2-year colleges; and develop dissemination tools. Graduate support is directed to research and teaching fellowships and traineeships, and linking precollege systems with higher education to improve the instructional workforce. Programs also seek to broaden the participation of groups underrepresented in the STEM enterprise; build State and regional capacity to compete successfully for research funding; and promote informal science education. Ongoing evaluation efforts and research on learning strengthen the base for these programs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$975,870,000 for education and human resources [EHR]. This amount is \$72,700,000 more than the fiscal year 2003 enacted level and \$37,830,000 more than the budget request. The Committee also notes that NSF will not receive any funds associated with the H-1B Visa account due to expiration of the legislation in fiscal year 2003, which has supplemented EHR activities in the past.

The Committee is deeply disappointed by the administration's lack of support in its budget request for assisting smaller research institutions and minorities. The Committee is particularly troubled by the continued lack of support provided to the Experimental Program to Stimulate Competitive Research [EPSCoR]. The Committee has provided \$100,000,000 to EPSCoR, an increase of \$10,590,000 over last year's enacted level and \$25,000,000 over the budget request. The Committee believes that high-speed network connections and advanced technology resources provided by the Research Infrastructure Improvement program, are crucial to the success of underrepresented (most notably, rural areas) areas and institutions and encourages NSF to ensure that EPSCoR states are able to fully participate in research partnerships. The Committee directs NSF to submit a report by May 1, 2004 on the status of all the States participating in EPSCoR. There is an expectation that States will graduate from EPSCoR and instead States have apparently begun to view the program as an "entitlement". NSF is expected to assess what changes should be made to the program to ensure States begin to graduate.

The undergraduate “tech talent” expansion program is increased by \$23,000,000 above the request of the administration. The Committee strongly encourages NSF to continue support for this plan for undergraduate science and engineering education. This program will continue to help colleges and universities increase the number of U.S. citizens, and permanent residents, pursue degrees in STEM fields. At a time when enrollment in STEM fields of study have declined for several years, it is important that NSF use its position to support students working towards degrees in these areas.

The Committee is also providing an additional \$7,710,000 above the budget request to the Advanced Technological Education program. This important NSF program supports undergraduate science education activities at the Nation’s community colleges.

To address the importance of broadening science and technology participation to minorities, the Committee recommendation includes \$25,000,000 for the Historically Black Colleges and Universities—Undergraduate Program [HBCU–UP], an increase of \$6,150,000 over the fiscal year 2003 enacted level and \$5,030,000 more than the budget request. The Committee also recommends \$35,000,000 for the Louis Stokes Alliance for Minority Participation program, an increase of \$2,270,000 above the budget request. To the extent possible, funds within these programs should also address issues contained within S. 196 involving minority serving institutions.

The Committee is recommending an increase above the request for the HBCU-Research University Science & Technology [THRUST] initiative within the Centers of Research Excellence in Science and Technology [CREST] program of \$10,000,000. Eligibility for THRUST should not exclude CREST recipients, but funds provided in fiscal year 2004 should be used to first fully-fund multi-year awards to recipients of THRUST awards in the program’s first year. The total level of funding for the CREST program is expected to be \$20,000,000, an increase of \$9,120,000 above the President’s request.

The Committee is also providing \$17,500,000 for the Alliance for Graduate Education and the Professoriate [AGEP] program. This amount is \$5,700,000 above both the fiscal year 2003 enacted level and the President’s request. The AGEP program strives to increase the number of doctoral degrees in STEM related fields for under-represented minority populations and encourages students in the program to become professors. The Committee encourages NSF to work to achieve their projections that show AGEP activities doubling minority doctoral degree production within the next 5 years.

The Committee remains supportive of the tribal colleges program and is especially pleased with the Foundation’s inclusion of Alaskan Native serving institutions and Native Hawaiian serving institutions as eligible entities to receive funds from this program. To that end, the Committee supports the Foundation’s continued inclusion of these entities in the tribal colleges program.

The Committee supports the Foundation’s efforts to strengthen the Nation’s security of its information infrastructure. The Committee is providing \$16,180,000 for the Scholarships for Service program to build a talented pool of individuals within the Federal sector with the skills to protect the Nation’s information systems.

The Committee also continues its strong support for the Informal Science Education [ISE] program. The Committee especially values the ISE program in raising interest among children and young adults in science and technology and notes the success of certain settings, such as the Sea Life Center in Seward, Alaska and the National Aquarium in Baltimore, Maryland. The Committee is disappointed in NSF's proposed decrease for fiscal year 2004 and provides an additional \$15,000,000 above the request for ISE. The ISE plays a role in the development of science teachers, as well as builds collaborations between informal and formal science institutions, provides opportunities for underrepresented groups, includes the involvement of parents, and enhances the public understanding of mathematics.

The Committee is aware that the Systemic Secondary Schools Initiative was created in the National Science Foundation Authorization Act of 2002 (Public Law 107-368) and directs the Foundation to provide details of the implementation for this program when NSF submits its annual operating plan to the Committee.

The Committee recognizes and is supportive of the request by the administration for the Foundation's graduate research education programs. The request will allow the Foundation to raise the annual stipend amount from its current level of \$27,500 to \$30,000 per award. The Committee believes that the increased stipend will improve the Foundation's ability to attract the best and brightest students into the science, mathematics, engineering, and technology fields. It is also expected that through the additional funds provided to the Research and Related Activities account, NSF will also be able to provide the same level of stipends for the existing Graduate Teaching Fellowships in K-12 Education program, the Graduate Research Fellowships program, and the Integrative Graduate Education and Research Traineeship program. The Committee also urges NSF to work towards increasing the number of women, minorities, and other underrepresented groups within these programs to the greatest extent possible.

The Committee is concerned about information regarding some grantees in the Math and Science Partnership [MSP] program not being able to provide documentation on how funds through this program have been spent. The Committee urges NSF to prohibit grantees that have not been able to provide appropriate documentation from continuing to receive funding, or to receive future funding for this program. Nevertheless, the MSP program is an important asset in providing improved math and science education by partnering local school districts with faculty of colleges and universities. The Committee recommends that the MSP program be funded at \$145,000,000, an increase of \$18,330,000 above the fiscal year 2003 enacted level.

#### SALARIES AND EXPENSES

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$189,115,000 |
| Budget estimate, 2004 .....    | 225,700,000   |
| Committee recommendation ..... | 225,700,000   |

## PROGRAM DESCRIPTION

The salaries and expenses appropriation provides funds for staff salaries, benefits, travel, training, rent, advisory and assistance services, communications and utilities expenses, supplies, equipment, and other operating expenses necessary for management of the agency's research and education activities.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$225,700,000 for salaries and expenses. The Committee directs NSF to fund travel only from this account and not to use other account funds for travel purposes.

The Committee is concerned that as NSF has grown in terms of agency funding in recent years, that staffing and structural needs have not been adequately addressed. The current request for NSF staff FTEs for fiscal year 2004 is an increase of only 12 above the FTE level 2 years ago. Over the same period of time, the amount of staff requested under the Intergovernmental Personnel Act [IPA] has risen by 41 over that same 2-year period, with the most dramatic increase of 30 additional IPAs requested for fiscal year 2004. IPAs typically stay at NSF from 1 to 3 years and then move on to other positions outside of NSF. While there are valid reasons to use these rotator positions, the Committee is troubled that 59 percent of current program officers at NSF are temporary in nature. The National Academy of Public Administration will be completing a study early in 2004 that will include an evaluation of this situation and the Committee expects NSF to address any recommendations in a decisive manner, as well as informing the Committee of any actions resulting from the study.

The Committee is troubled by the initial findings by the GAO concerning the contract with Booz-Allen-Hamilton to analyze and develop a plan for enhancing NSF's mission-critical business processes, human capital, and information technology. GAO has found that NSF is already experiencing some delays in starting and completing some of the initial contract deliverables. The project plan, which will guide the contractor's activities over the life of the contract, is scheduled to be issued 1 year after its originally planned completion date. In addition, NSF did not estimate, nor is it tracking, the costs for each of the seven key contract deliverables, which would be a prudent business management practice given the overall cost, length, and scope of the contract. Due to the unusual cost of the Booz-Allen-Hamilton contract, the Committee directs that no additional funds shall be expended on this contract until auditable documentation of how the cost-range of the contract was derived is presented to the Committee. The Committee also directs NSF to seek the concurrence of both the National Science Board and the NSF Inspector General concerning the proposed project plan prior to continuing the further funding of this contract. The Committee also expects NSF to notify the Committee of any reprogramming of funds with regard to this contract, and strongly urges NSF to be prepared to provide an implementation plan upon completion of the contract.

The Committee also directs NSF to create a senior level management position dedicated to assisting minority serving institutions. It is expected that the person selected for this position will work to help minority serving institutions improve the quality of STEM education, and the on campus incorporation of innovative technologies.

OFFICE OF THE NATIONAL SCIENCE BOARD

|                                |             |
|--------------------------------|-------------|
| Appropriations, 2003 .....     | \$3,477,000 |
| Budget estimate, 2004 .....    | 0           |
| Committee recommendation ..... | 3,900,000   |

PROGRAM DESCRIPTION

The National Science Board is the governing body of the National Science Foundation. The Board is composed of 24 members, appointed by the President and confirmed by the Senate. The Board is charged with serving as adviser to the President and Congress on policy matters related to science and engineering. By law, the Board establishes the policies of the National Science Foundation, provides oversight of its programs and activities, and approves of its strategic directions and budgets. The Board reviews and approves NSF awards at levels above its delegation of authority to the NSF Director.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,900,000 for the National Science Board. This amount is \$423,000 more than the fiscal year 2003 enacted level.

Given the increasing oversight responsibilities of the Board, driven by the growth of the Foundation, the Committee wants to ensure the Board continues to carryout effectively its policy-making and oversight responsibilities. The Committee is providing funding to support the operations, activities, expenses, and staffing of the Board. It is the Committee's view that NSB staffing and management decisions are the responsibility and prerogative of the Board. It is also expected that NSF will continue to provide support for the preparation of Science and Engineering Indicators from funds provided within the Research and Related Activities account. NSF is also expected to continue to support all other activities of the Board as they have done in the past.

OFFICE OF INSPECTOR GENERAL

|                                |             |
|--------------------------------|-------------|
| Appropriations, 2003 .....     | \$9,190,000 |
| Budget estimate, 2004 .....    | 8,770,000   |
| Committee recommendation ..... | 10,000,000  |

PROGRAM DESCRIPTION

The Office of Inspector General appropriation provides audit and investigation functions to identify and correct deficiencies which could create potential instances of fraud, waste, or mismanagement.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$10,000,000 for the Office of Inspector General. This amount is \$810,000 more than the fiscal year 2003 enacted level and \$1,230,000 more than the budget request.

The proposed increase would allow the OIG to further expand its efforts in several priority areas that pose the greatest risk to the agency: financial management, acquisition, information technology, human capital, award administration, awardee financial accountability and compliance, and the management of agency programs and projects. The Committee is disappointed with the proposed reduction in funding for the OIG. Under the requested amount, the OIG will only have the resources to be able to react to allegations of fraudulent practices. With the additional funds provided, the OIG will have the added capability to also provide proactive prevention and detection efforts to determine if violations identified during individual investigations are widespread or whether they undermine the integrity of the data upon which NSF relies.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$104,317,000 |
| Budget estimate, 2004 .....    | 115,000,000   |
| Committee recommendation ..... | 115,000,000   |

PROGRAM DESCRIPTION

The Neighborhood Reinvestment Corporation was created by the Neighborhood Reinvestment Corporation Act (title VI of the Housing and Community Development Amendments of 1978, Public Law 95-557, October 31, 1978). Neighborhood Reinvestment helps local communities establish working partnerships between residents and representatives of the public and private sectors. These partnership-based organizations are independent, tax-exempt, nonprofit entities and are often known as Neighborhood Housing Services [NHS] or mutual housing associations. Collectively, these organizations are known as the NeighborWorks® network.

Nationally, 226 NeighborWorks® organizations serve over 2,300 urban, suburban and rural communities in 49 States, the District of Columbia, and Puerto Rico. In fiscal year 2002, the NeighborWorks® network assisted nearly 70,000 families to obtain and maintain safe and affordable rental and homeownership units, where 70 percent of the people served are in the very low and low-income brackets.

Neighborhood Reinvestment also provides grants to Neighborhood Housing Services of America [NHSA], the NeighborWorks® network's national secondary market. The mission of NHSA is to utilize private sector support to replenish local NeighborWorks® organizations' revolving loan funds. These loans are used to back securities that are placed with private sector social investors.



COMMITTEE RECOMMENDATION

The Committee recommends \$115,000,000 for the Neighborhood Reinvestment Corporation, the same level as the budget request and \$10,683,000 above the fiscal year 2003 enacted level.

The Committee has included a set-aside of \$5,000,000 for the multifamily rental housing initiative. This program has been successful in producing mixed-income affordable housing in communities with affordable housing shortages.

The Committee commends Neighborhood Reinvestment for their capacity building support of rural organizations. Funding support for rural NeighborWorks® organizations has increased from nearly \$12,000,000 in fiscal year 2000 to an estimated \$18,000,000 in fiscal year 2003. The Committee strongly urges the Corporation to continue increasing its support for rural organizations in fiscal year 2004.

The Committee continues to support the work being done by NeighborWorks® members to combat predatory lending practices. The Committee recognizes the importance that financial literacy and homeownership counseling have in preventing people from becoming victims of predatory schemes. The Committee also recognizes that NeighborWorks® members have successfully counseled 50,000 people who went on to become homeowners and encourages the Neighborhood Reinvestment Corporation and its network to expand its education and counseling programs.

ADMINISTRATIVE PROVISION

The Committee has included an administrative provision to correct the Corporation’s enabling legislation related to salaries and benefits. This provision was requested by the administration.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$26,308,000 |
| Budget estimate, 2004 .....    | 28,290,000   |
| Committee recommendation ..... | 26,308,000   |

PROGRAM DESCRIPTION

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

In December 1987, Selective Service was tasked by law (Public Law 100–180, sec. 715) to develop plans for a postmobilization health care personnel delivery system capable of providing the necessary critically skilled health care personnel to the Armed Forces in time of emergency. An automated system capable of handling mass registration and inductions is now complete, together with

necessary draft legislation, a draft Presidential proclamation, prototype forms and letters, et cetera. These products will be available should the need arise. The development of supplemental standby products, such as a compliance system for health care personnel, continues using very limited existing resources.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$26,308,000 for the Selective Service System. This amount is the same as the fiscal year 2003 enacted level and \$1,982,000 below the budget request. The Committee also prohibits the use of any funds to support the Corporation for National and Community Service.

#### TITLE IV—GENERAL PROVISIONS

The Committee recommends inclusion of 17 general provisions previously enacted. They are largely standard limitations which have been carried in the VA, HUD, and Independent Agencies appropriations bill in the past.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI, OF THE  
STANDING RULES OF THE SENATE

Paragraph 7 of Rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill “which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.”

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Rural housing and economic development: \$25,000,000.  
Brownfields: \$25,000,000.

COMPLIANCE WITH PARAGRAPH 7(C), RULE XXVI OF THE  
STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, on September 4, 2003, the Committee ordered reported en bloc: S. 1585, an original bill making appropriations for the Departments of Commerce, Justice, and State, the judiciary, and related agencies for the fiscal year ending September 30, 2004; an original bill making appropriations for the Departments of Transportation and Treasury, the Executive Office of the President, and certain independent agencies for the fiscal year ending September 30, 2004; and S. 1584, an original bill making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2004; each subject to amendment and each subject to the budget allocations, by a recorded vote of 29–0, a quorum being present. The vote was as follows:

| Yeas             | Nays |
|------------------|------|
| Chairman Stevens |      |
| Mr. Cochran      |      |
| Mr. Specter      |      |
| Mr. Domenici     |      |
| Mr. Bond         |      |
| Mr. McConnell    |      |
| Mr. Burns        |      |
| Mr. Shelby       |      |
| Mr. Gregg        |      |
| Mr. Bennett      |      |
| Mr. Campbell     |      |
| Mr. Craig        |      |
| Mrs. Hutchison   |      |
| Mr. DeWine       |      |
| Mr. Brownback    |      |
| Mr. Byrd         |      |

Mr. Inouye  
 Mr. Hollings  
 Mr. Leahy  
 Mr. Harkin  
 Ms. Mikulski  
 Mr. Reid  
 Mr. Kohl  
 Mrs. Murray  
 Mr. Dorgan  
 Mrs. Feinstein  
 Mr. Durbin  
 Mr. Johnson  
 Ms. Landrieu

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE  
 STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee.”

With respect to this bill, it is the opinion of the Committee that it is necessary to dispense with these requirements in order to expedite the business of the Senate.

BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC.  
 308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

|  | Budget authority                  |                | Outlays                           |                     |
|--|-----------------------------------|----------------|-----------------------------------|---------------------|
|  | Committee allocation <sup>1</sup> | Amount of bill | Committee allocation <sup>1</sup> | Amount of bill      |
| Comparison of amounts in the bill with Committee allocations to its subcommittees of amounts in the Budget Resolution for 2004: Subcommittee on Veterans Affairs, Housing and Urban Development, and Independent Agencies: |                                   |                |                                   |                     |
| Discretionary .....  | 90,034                            | 90,034         | 95,754                            | <sup>1</sup> 95,372 |
| Mandatory .....  | 32,911                            | 32,707         | 32,685                            | <sup>1</sup> 32,093 |
| Projection of outlays associated with the recommendation:  |                                   |                |                                   |                     |
| 2004 .....   | .....                             | .....          | .....                             | <sup>2</sup> 77,032 |
| 2005 .....   | .....                             | .....          | .....                             | 22,211              |
| 2006 .....   | .....                             | .....          | .....                             | 8,909               |
| 2007 .....   | .....                             | .....          | .....                             | 5,022               |
| 2008 and future years .....  | .....                             | .....          | .....                             | 4,721               |
| Financial assistance to State and local governments for 2004 .....   | NA                                | 31,278         | NA                                | 6,598               |

<sup>1</sup> Includes outlays from prior-year budget authority.

<sup>2</sup> Excludes outlays from prior-year budget authority.

NA: Not applicable.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2003 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2004  
 [In thousands of dollars]

| Item   | 2003 appropriation | Budget estimate | Committee recommendation | Senate Committee recommendation compared with (+ or -) |                 |
|--|--------------------|-----------------|--------------------------|--|-----------------|
|  |                    |                 |                          | 2003 appropriation                                     | Budget estimate |
| TITLE I  |                    |                 |                          |  |                 |
| DEPARTMENT OF VETERANS AFFAIRS   |                    |                 |                          |  |                 |
| Veterans Benefits Administration   |                    |                 |                          |  |                 |
| Compensation and pensions .....  | 28,949,000         | 29,845,127      | 29,845,127               | + 896,127  | .....           |
| Readjustment benefits .....  | 2,264,808          | 2,529,734       | 2,529,734                | + 264,926  | .....           |
| Veterans insurance and indemnities .....                                 | 27,530             | 29,017          | 29,017                   | + 1,487  | .....           |
| Veterans housing benefit program fund program account (indefinite) ..... | 437,522            | 305,834         | 305,834                  | - 131,688  | .....           |
| (Limitation on direct loans) .....                                       | (300)              | (300)           | (300)                    | .....  | .....           |
| Credit subsidy .....   | -98,000            | .....           | .....                    | + 98,000   | .....           |
| Administrative expenses .....  | 167,114            | 154,850         | 154,850                  | - 12,264   | .....           |
| Education loan fund program account .....                                | 1                  | 1               | 1                        | .....  | .....           |
| (Limitation on direct loans) .....                                       | (3)                | (3)             | (3)                      | .....  | .....           |
| Administrative expenses .....  | 70                 | 70              | 70                       | .....  | + 70            |
| Vocational rehabilitation loans program account .....                    | 55                 | 52              | 52                       | - 3  | .....           |
| (Limitation on direct loans) .....                                       | (3,626)            | (3,938)         | (3,938)                  | (+ 312)  | .....           |
| Administrative expenses .....  | 287                | 300             | 300                      | + 13   | .....           |
| Native American Veteran Housing Loan Program Account .....               | 554                | 571             | 571                      | + 17   | .....           |
| Total, Veterans Benefits Administration .....                            | 31,748,941         | 32,865,486      | 32,865,556               | + 1,116,615  | + 70            |
| Veterans Health Administration   |                    |                 |                          |  |                 |
| Medical care .....   | 23,889,304         | 25,218,080      | 24,388,080               | + 498,776  | - 830,000       |
| Delayed obligation .....   | .....              | .....           | 1,100,000                | + 1,100,000  | + 1,100,000     |
| Contingent emergency funding .....                                       | .....              | .....           | 1,300,000                | + 1,300,000  | + 1,300,000     |
| Rescission .....   | .....              | .....           | - 270,000                | - 270,000  | - 270,000       |
| Medical care cost recovery collections:                                  | .....              | .....           | .....                    | .....  | .....           |
| Offsetting receipts .....  | - 1,386,000        | - 2,141,409     | - 1,564,000              | - 178,000  | + 577,409       |

|   |              |              |              |               |               |
|---|--------------|--------------|--------------|---------------|---------------|
| Appropriations (indefinite) .....                                 | 1,386,000    | 2,141,409    | 1,564,000    | + 178,000     | - 577,409     |
| Total available (excludes offsetting receipts) .....              | 25,275,304   | 27,359,489   | 28,082,080   | + 2,806,776   | + 722,591     |
| Medical and prosthetic research .....                             | 397,400      | 408,000      | 413,000      | + 15,600      | + 5,000       |
| Medical administration and miscellaneous operating expenses ..... | 74,230       | 79,146       | 79,146       | + 4,916       | .....         |
| Total, Veterans Health Administration .....                       | 24,360,934   | 25,705,226   | 27,010,226   | + 2,649,292   | + 1,305,000   |
| Departmental Administration                                       |              |              |              |               |               |
| General operating expenses .....                                  | 1,245,849    | 1,283,272    | 1,283,272    | + 37,423      | .....         |
| Supplemental Appropriations (Public Law 108-11) .....             | 100,000      | .....        | .....        | - 100,000     | .....         |
| National Cemetery Administration .....                            | 132,284      | 144,203      | 144,203      | + 11,919      | .....         |
| Office of Inspector General .....                                 | 57,623       | 61,750       | 62,250       | + 4,627       | + 500         |
| Construction, major projects .....                                | 99,128       | 272,690      | 272,690      | + 173,562     | .....         |
| Construction, minor projects .....                                | 224,531      | 252,144      | 252,144      | + 27,613      | .....         |
| Grants for construction of State extended care facilities .....   | 99,350       | 102,100      | 102,100      | + 2,750       | .....         |
| Grants for the construction of State veterans cemeteries .....    | 31,792       | 32,000       | 32,000       | + 208         | .....         |
| Total, Departmental Administration .....                          | 1,990,557    | 2,148,159    | 2,148,659    | + 158,102     | + 500         |
| UNDISTRIBUTED ADJUSTMENTS (Mandatory) .....                       | .....        | .....        | .....        | .....         | .....         |
| UNDISTRIBUTED ADJUSTMENTS (Discretionary) .....                   | .....        | .....        | .....        | .....         | .....         |
| Total, title I, Department of Veterans Affairs .....              | 58,100,432   | 60,718,871   | 62,024,441   | + 3,924,009   | + 1,305,570   |
| (Limitation on direct loans) .....                                | (3,929)      | (4,241)      | (4,241)      | (- 312)       | .....         |
| Consisting of:  |              |              |              |               |               |
| Mandatory .....   | (31,580,860) | (32,709,712) | (32,709,712) | (+ 1,128,852) | .....         |
| Discretionary .....   | (26,519,572) | (28,009,159) | (29,314,729) | (+ 2,795,157) | (+ 1,305,570) |
| Medical care collection fund .....                                | (1,386,000)  | (2,141,409)  | (1,564,000)  | (+ 178,000)   | (- 577,409)   |
| Contingent emergency funding .....                                | .....        | .....        | 1,300,000    | + 1,300,000   | + 1,300,000   |
| Total Discretionary (excluding MCCF) .....                        | (25,133,572) | (25,867,750) | (27,750,729) | (+ 2,617,157) | (+ 1,882,979) |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2003 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2004—Continued

(In thousands of dollars)

| Item  | 2003 appropriation | Budget estimate | Committee recommendation | Senate Committee recommendation compared with (+ or -) |                 |
|---|--------------------|-----------------|--------------------------|--|-----------------|
|   |                    |                 |                          | 2003 appropriation                                     | Budget estimate |
| TITLE II  |                    |                 |                          |  |                 |
| DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT           |                    |                 |                          |  |                 |
| Public and Indian Housing                             |                    |                 |                          |  |                 |
| Housing Certificate Fund:                             |                    |                 |                          |  |                 |
| Direct appropriation                                  | 12,938,913         | .....           | 14,233,606               | + 1,294,693  | + 14,233,606    |
| Advance appropriations provided in previous acts      | 4,172,700          | .....           | .....                    | - 4,172,700  | .....           |
| Advance appropriations provided in fiscal year 2003   | 4,200,000          | .....           | 4,200,000                | .....  | + 4,200,000     |
| Advance appropriations provided in fiscal year 2004   | .....              | .....           | 4,200,000                | + 4,200,000  | + 4,200,000     |
| Rescission  | .....              | .....           | - 1,372,000              | - 1,372,000  | - 1,372,000     |
| Subtotal  | 21,311,613         | .....           | 21,261,606               | - 50,007   | + 21,261,606    |
| Appropriations, scored against year                   | (17,111,613)       | .....           | (17,061,606)             | (- 50,007)   | (+ 17,061,606)  |
| Rescissions   | .....              | .....           | (- 1,372,000)            | (- 1,372,000)  | (- 1,372,000)   |
| Advance appropriations, fiscal year 2003              | .....              | .....           | (4,200,000)              | (+ 4,200,000)  | (+ 4,200,000)   |
| Advance appropriations, fiscal year 2004 <sup>1</sup> | (4,200,000)        | .....           | (4,200,000)              | (+ 4,200,000)  | (+ 4,200,000)   |
| Housing assistance for needy families:                |                    |                 |                          |  |                 |
| Direct appropriation                                  | .....              | 8,335,201       | .....                    | .....  | - 8,335,201     |
| Advance appropriations provided in fiscal year 2003   | .....              | 4,200,000       | .....                    | .....  | - 4,200,000     |
| Advance appropriations provided in fiscal year 2004   | .....              | 4,200,000       | .....                    | .....  | - 4,200,000     |
| Subtotal <sup>1</sup>                                 | .....              | 16,735,201      | .....                    | .....  | - 16,735,201    |
| Appropriations, fiscal year 2004 <sup>1</sup>         | .....              | (12,535,201)    | .....                    | .....  | (- 12,535,201)  |
| Advance appropriations, fiscal year 2004 <sup>1</sup> | .....              | (4,200,000)     | .....                    | .....  | (- 4,200,000)   |
| Project based rental assistance <sup>1</sup>          | .....              | 4,823,405       | .....                    | .....  | - 4,823,405     |
| Rescission of unobligated balances                    | - 1,600,000        | - 300,000       | .....                    | + 1,600,000  | + 300,000       |
| Public housing capital fund                           | 2,712,255          | 2,641,000       | 2,641,000                | .....  | .....           |
| Public housing operating fund                         | 3,576,600          | 3,574,000       | 3,576,600                | - 71,255   | .....           |
|   |                    |                 |                          |  | + 2,600         |



|  |                   |                   |                   |                    |                  |
|--|-------------------|-------------------|-------------------|--------------------|------------------|
| Revitalization of severely distressed public housing ..... | 570,269           | .....             | 195,115           | - 375,154          | + 195,115        |
| Native American housing block grants .....                 | 644,782           | 646,600           | 646,600           | + 1,818            | .....            |
| Indian housing loan guarantee fund program account .....   | 5,266             | 1,000             | 5,300             | + 34               | + 4,300          |
| (Limitation on guaranteed loans) .....                     | (197,243)         | (27,473)          | (197,243)         | .....              | (+ 169,770)      |
| Native Hawaiian housing block grant .....                  | .....             | 10,000            | .....             | .....              | - 10,000         |
| Native Hawaiian housing loan guarantee fund .....          | 1,028             | 1,000             | 1,035             | + 7                | + 35             |
| (Limitation on guaranteed loans) .....                     | (39,712)          | (35,348)          | (39,712)          | .....              | (+ 4,364)        |
| <b>Total, Public and Indian Housing .....</b>              | <b>27,221,813</b> | <b>28,132,206</b> | <b>28,327,256</b> | <b>+ 1,105,443</b> | <b>+ 195,050</b> |
| Appropriations .....                                       | (24,621,813)      | (20,032,206)      | (21,299,256)      | (- 3,322,557)      | (+ 1,267,050)    |
| Rescissions .....  | (- 1,600,000)     | (- 300,000)       | (- 1,372,000)     | (+ 228,000)        | (- 1,072,000)    |
| Advance appropriations, fiscal year 2003 .....             | (4,200,000)       | (4,200,000)       | (4,200,000)       | .....              | .....            |
| Advance appropriations, fiscal year 2004 .....             | .....             | (4,200,000)       | (4,200,000)       | (+ 4,200,000)      | .....            |
| <b>Community Planning and Development</b>                  |                   |                   |                   |                    |                  |
| Housing opportunities for persons with AIDS .....          | 290,102           | 297,000           | 291,000           | + 898              | - 6,000          |
| Rural housing and economic development .....               | 24,837            | .....             | 25,000            | + 163              | + 25,000         |
| Empowerment zones/enterprise communities .....             | 29,805            | .....             | .....             | - 29,805           | .....            |
| Community development fund .....                           | 4,904,909         | 4,716,000         | 4,950,000         | + 45,091           | + 234,000        |
| Colonia's initiative (legislative proposal) .....          | .....             | 16,000            | .....             | .....              | - 16,000         |
| Urban development action grant (rescission) .....          | .....             | - 30,000          | - 30,000          | .....              | .....            |
| Section 108 loan guarantees:                               |                   |                   |                   |                    |                  |
| (Limitation on guaranteed loans) .....                     | (275,000)         | .....             | (275,000)         | .....              | (+ 275,000)      |
| Credit subsidy .....                                       | 6,284             | .....             | 6,325             | + 41               | + 6,325          |
| Administrative expenses .....                              | 993               | .....             | 1,000             | + 7                | + 1,000          |
| Brownfields redevelopment .....                            | 24,837            | .....             | 25,000            | + 163              | + 25,000         |
| HOME investment partnerships program .....                 | 1,987,000         | 2,197,000         | 1,975,000         | - 12,000           | - 222,000        |
| Homeless assistance grants .....                           | 1,217,037         | 1,325,000         | 1,325,000         | + 107,963          | .....            |
| Samaritan housing initiative (legislative proposal) .....  | .....             | 50,000            | .....             | .....              | - 50,000         |
| <b>Total, Community planning and development .....</b>     | <b>8,485,804</b>  | <b>8,571,000</b>  | <b>8,568,325</b>  | <b>+ 82,521</b>    | <b>- 2,675</b>   |
| <b>Housing Programs</b>                                    |                   |                   |                   |                    |                  |
| Housing for special populations .....                      | 1,027,081         | .....             | 1,033,801         | + 6,720            | + 1,033,801      |
| Housing for the elderly? .....                             | .....             | 775,636           | .....             | .....              | - 773,636        |
| Housing for persons with disabilities? .....               | .....             | 250,515           | .....             | .....              | - 250,515        |
| Housing counseling assistance .....                        | .....             | 45,000            | .....             | .....              | - 45,000         |
| Rental housing assistance (rescission) .....               | - 100,000         | - 303,000         | - 303,000         | - 203,000          | .....            |
| Manufactured housing fees trust fund .....                 | 12,915            | 17,000            | 13,000            | + 85               | - 4,000          |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2003 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2004—Continued

[In thousands of dollars]

| Item   | 2003 appropriation | Budget estimate | Committee recommendation | Senate Committee recommendation compared with (+ or -) |                 |
|--|--------------------|-----------------|--------------------------|--|-----------------|
|  |                    |                 |                          | 2003 appropriation                                     | Budget estimate |
| Offsetting collections .....   | -13,000            | -17,000         | -13,000                  | .....  | +4,000          |
| Federal Housing Administration   |                    |                 |                          |  |                 |
| FHA—Mutual mortgage insurance program account:                           |                    |                 |                          |  |                 |
| (Limitation on guaranteed loans) .....                                   | (165,000,000)      | (185,000,000)   | (185,000,000)            | (+20,000,000)  | .....           |
| (Limitation on direct loans) .....                                       | (100,000)          | (50,000)        | (50,000)                 | (-50,000)  | .....           |
| Administrative expenses .....  | 345,568            | 359,000         | 359,000                  | +13,432  | .....           |
| Negative subsidy .....   | -2,753,000         | -2,921,000      | -2,921,000               | -168,000   | .....           |
| Administrative contract expenses .....                                   | 85,163             | 85,000          | 85,000                   | -163   | .....           |
| Additional contract expenses .....                                       | 993                | 1,000           | 1,000                    | +7   | .....           |
| FHA—General and special risk program account:                            |                    |                 |                          |  |                 |
| (Limitation on guaranteed loans) .....                                   | (23,000,000)       | (25,000,000)    | (25,000,000)             | (+2,000,000)   | .....           |
| (Limitation on direct loans) .....                                       | (50,000)           | (50,000)        | (50,000)                 | .....  | .....           |
| Administrative expenses .....  | 222,262            | 229,000         | 229,000                  | +6,738   | .....           |
| Negative subsidy .....   | -225,000           | -225,000        | -225,000                 | .....  | .....           |
| Subsidy .....  | 14,902             | 15,000          | 15,000                   | +98  | .....           |
| Non-overhead administrative expenses .....                               | 93,170             | 93,700          | 93,700                   | +530   | .....           |
| Additional contract expenses .....                                       | 3,974              | 4,000           | 4,000                    | +26  | .....           |
| Total, Federal Housing Administration .....                              | -2,211,968         | -2,359,300      | -2,359,300               | -147,332   | .....           |
| Government National Mortgage Association (GNMA)                          |                    |                 |                          |  |                 |
| Guarantees of mortgage-backed securities loan guarantee program account: |                    |                 |                          |  |                 |
| (Limitation on guaranteed loans) .....                                   | (200,000,000)      | (200,000,000)   | (200,000,000)            | .....  | .....           |
| Administrative expenses .....  | 10,276             | 10,695          | 10,695                   | +419   | .....           |
| Offsetting receipts .....  | -358,000           | -318,000        | -318,000                 | +40,000  | .....           |
| Policy Development and Research  |                    |                 |                          |  |                 |
| Research and technology .....  | 46,695             | 51,000          | 47,000                   | +305   | -4,000          |

|  |               |               |               |                |               |
|--|---------------|---------------|---------------|----------------|---------------|
| Fair housing activities .....                                      | 45,601        | 50,000        | 50,000        | + 4,399        | .....         |
| Office of Lead Hazard Control .....                                |               |               |               |                |               |
| Management and Administration .....                                |               |               |               |                |               |
| Salaries and expenses .....  | 174,856       | 136,000       | 175,000       | + 144          | + 39,000      |
| Transfer from: .....   |               |               |               |                |               |
| Limitation on FHA corporate funds .....                            | 526,852       | 536,000       | 536,000       | + 9,148        | .....         |
| GMMA .....   | (544,639)     | (564,000)     | (564,000)     | (+ 19,361)     | .....         |
| Community Development Loan Guarantees Program .....                | (10,276)      | (10,695)      | (10,695)      | (+ 419)        | .....         |
| Native American Housing Block Grants .....                         | (993)         | (1,000)       | (1,000)       | (+ 7)          | .....         |
| Indian Housing Loan Guarantees Fund Program .....                  | (149)         | (150)         | (150)         | (+ 1)          | .....         |
| Native Hawaiian Housing Loan Guarantees .....                      | (199)         | (250)         | (250)         | (+ 51)         | .....         |
| .....  | (35)          | (35)          | (35)          | .....          | .....         |
| Total, Salaries and expenses .....                                 | (1,083,143)   | (1,112,130)   | (1,112,130)   | (+ 28,987)     | .....         |
| Working capital fund .....   | 274,504       | 276,300       | 240,000       | - 34,504       | - 36,300      |
| Office of Inspector General .....                                  | 73,674        | 76,080        | 78,000        | + 4,326        | + 1,920       |
| (By transfer, limitation on FHA corporate funds) .....             | (23,343)      | (24,000)      | (24,000)      | (+ 657)        | .....         |
| Total, Office of Inspector General .....                           | (97,017)      | (100,080)     | (102,000)     | (+ 4,983)      | (+ 1,920)     |
| Consolidated fee fund (rescission) .....                           | - 8,000       | .....         | .....         | + 8,000        | .....         |
| Office of Federal Housing Enterprise Oversight .....               | 29,805        | 32,415        | 32,415        | + 2,610        | .....         |
| Offsetting receipts .....  | - 30,000      | - 32,415      | - 32,415      | - 2,415        | .....         |
| Total, title II, Department of Housing and Urban Development ..... | 35,208,908    | 35,928,132    | 36,085,777    | + 876,869      | + 157,645     |
| Appropriations .....   | (32,716,908)  | (28,161,132)  | (29,390,777)  | (- 3,326,131)  | (+ 1,229,645) |
| Rescissions .....  | (- 1,708,000) | (- 633,000)   | (- 1,705,000) | (+ 3,000)      | (- 1,072,000) |
| Advance appropriations, fiscal year 2003 .....                     | (4,200,000)   | (4,200,000)   | (4,200,000)   | .....          | .....         |
| Advance appropriations, fiscal year 2004 .....                     | .....         | 4,200,000     | 4,200,000     | + 4,200,000    | .....         |
| (Limitation on direct loans) .....                                 | (150,000)     | (100,000)     | (100,000)     | (- 50,000)     | .....         |
| (Limitation on guaranteed loans) .....                             | (388,511,955) | (410,062,821) | (410,511,955) | (+ 22,000,000) | (+ 449,134)   |
| (Limitation on corporate funds) .....                              | (579,634)     | (600,130)     | (600,130)     | (+ 20,496)     | .....         |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2003 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
 FOR FISCAL YEAR 2004—Continued  
 [In thousands of dollars]

| Item  | 2003 appropriation | Budget estimate | Committee recommendation | Senate Committee recommendation compared with (+ or -) |                 |
|---|--------------------|-----------------|--------------------------|--|-----------------|
|   |                    |                 |                          | 2003 appropriation                                     | Budget estimate |
| TITLE III   |                    |                 |                          |  |                 |
| INDEPENDENT AGENCIES  |                    |                 |                          |  |                 |
| American Battle Monuments Commission                              | 35,017             | 32,400          | 35,000                   | -17  | +2,600          |
| Chemical Safety and Hazard Investigation Board                    | 6,408              | 8,000           | 8,000                    | +1,592   | .....           |
| Department of the Treasury  |                    |                 |                          |  |                 |
| Community Development Financial Institutions                      | 74,512             | 51,000          | 70,000                   | -4,512   | +19,000         |
| Community development financial institutions fund program account | 56,629             | 60,000          | 60,000                   | +3,371   | .....           |
| Consumer Product Safety Commission                                | 426,211            | 592,742         | 452,575                  | +26,364  | -140,167        |
| Corporation for National and Community Service                    | -48,000            | .....           | 25,000                   | +25,000  | +25,000         |
| National and community service programs operating expenses        | 5,961              | 5,108           | 6,500                    | +48,000  | .....           |
| Salaries and expenses   | 384,172            | 597,850         | 484,075                  | +99,903  | -113,775        |
| Rescission  | .....              | .....           | .....                    | .....  | .....           |
| Office of Inspector General                                       | 14,233             | 16,220          | 16,220                   | +1,987   | .....           |
| U.S. Court of Appeals for Veterans Claims                         |                    |                 |                          |  |                 |
| Salaries and expenses   | .....              | .....           | .....                    | .....  | .....           |



COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2003 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2004—Continued

(In thousands of dollars)

| Item   | 2003 appropriation | Budget estimate | Committee recommendation | Senate Committee recommendation compared with (+ or -) 2003 appropriation |                 |
|--|--------------------|-----------------|--------------------------|---|-----------------|
|  |                    |                 |                          | 2003 appropriation  | Budget estimate |
| Subtotal, STAG .....   | 3,834,905          | 3,121,200       | 3,814,000                | -20,905   | +692,800        |
| Total, EPA .....   | 8,078,062          | 7,630,538       | 8,182,718                | +104,656  | +552,180        |
| Executive Office of the President  |                    |                 |                          |   |                 |
| Office of Science and Technology Policy .....                              | 5,333              | 7,027           | 7,027                    | +1,694  | .....           |
| Council on Environmental Quality and Office of Environmental Quality ..... | 3,011              | 3,238           | 3,238                    | +227  | .....           |
| Total .....  | 8,344              | 10,265          | 10,265                   | +1,921  | .....           |
| Federal Deposit Insurance Corporation                                      |                    |                 |                          |   |                 |
| Office of Inspector General (transfer) .....                               | (30,848)           | (30,125)        | (30,848)                 | .....   | (+723)          |
| General Services Administration  |                    |                 |                          |   |                 |
| Federal Citizen Information Center Fund .....                              | 11,466             | 17,643          | 14,000                   | +2,534  | -3,643          |
| Interagency Council on the Homeless  |                    |                 |                          |   |                 |
| Operating expenses .....   | 1,490              | .....           | 1,500                    | +10   | +1,500          |
| National Aeronautics and Space Administration                              |                    |                 |                          |   |                 |
| Human space flight .....   | 6,165,658          | .....           | .....                    | -6,165,658  | .....           |
| Space flight capabilities .....  | .....              | 7,782,100       | 7,582,100                | +7,582,100  | -200,000        |
| Science, aeronautics and technology .....                                  | 9,147,815          | .....           | .....                    | -9,147,815  | .....           |
| Science, aeronautics and exploration .....                                 | .....              | 7,660,900       | 7,730,507                | +7,730,507  | +69,607         |
| Office of Inspector General .....  | 25,434             | 26,300          | 26,300                   | +866  | .....           |
| Total, NASA .....  | 15,338,907         | 15,469,300      | 15,338,907               | .....   | -130,393        |

| National Credit Union Administration                     |               |               |               |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Central liquidity facility:                              |               |               |               |               |               |               |               |
| (Limitation on direct loans)                             | (1,500,000)   | (1,500,000)   | (1,500,000)   | (1,500,000)   | (1,500,000)   | (+1)          |               |
| (Limitation on administrative expenses, corporate funds) | (309)         | (310)         | (310)         | (310)         | (310)         | + 507         |               |
| Community Development Revolving Loan Fund                | 993           | 1,000         |               | 1,500         |               |               | + 500         |
| National Science Foundation                              |               |               |               |               |               |               |               |
| Research and related activities                          | 3,988,902     | 4,038,360     | 4,038,360     | 4,152,540     | 4,152,540     | + 163,638     | + 114,180     |
| Defense function   | 67,558        | 68,000        | 68,000        | 68,070        | 68,070        | + 512         | + 70          |
| Subtotal   | 4,056,460     | 4,106,360     | 4,106,360     | 4,220,610     | 4,220,610     | + 164,150     | + 114,250     |
| Major research equipment and facilities construction     | 148,538       | 202,330       | 202,330       | 149,680       | 149,680       | + 1,142       | - 52,650      |
| Education and human resources                            | 903,171       | 938,040       | 938,040       | 975,870       | 975,870       | + 72,699      | + 37,830      |
| Salaries and expenses                                    | 189,115       | 225,700       | 225,700       | 225,700       | 225,700       | + 36,585      |               |
| National Science Board                                   | 3,477         |               |               | 3,900         | 3,900         | + 423         | + 3,900       |
| Office of Inspector General                              | 91,900        | 8,770         | 8,770         | 10,000        | 10,000        | + 810         | + 1,230       |
| Total, NSF   | 5,309,951     | 5,481,200     | 5,481,200     | 5,585,760     | 5,585,760     | + 275,809     | + 104,560     |
| Neighborhood Reinvestment Corporation                    |               |               |               |               |               |               |               |
| Payment to the Neighborhood Reinvestment Corporation     | 104,317       | 115,000       | 115,000       | 115,000       | 115,000       | + 10,683      |               |
| Selective Service System                                 |               |               |               |               |               |               |               |
| Salaries and expenses                                    | 26,308        | 28,290        | 28,290        | 26,308        | 26,308        |               | - 1,982       |
| Total, title III, Independent agencies                   | 29,648,833    | 29,696,908    | 29,696,908    | 30,133,494    | 30,133,494    | + 484,661     | + 436,586     |
| Appropriations   | (29,696,833)  | (29,696,908)  | (29,696,908)  | (30,133,494)  | (30,133,494)  | (+ 436,661)   | (+ 436,586)   |
| Rescissions  | (- 48,000)    |               |               |               |               | (+ 48,000)    |               |
| (By transfer)  | (30,848)      | (30,125)      | (30,125)      | (30,848)      | (30,848)      |               | (+ 723)       |
| (Limitation on direct loans)                             | (1,500,000)   | (1,500,000)   | (1,500,000)   | (1,500,000)   | (1,500,000)   |               |               |
| (Limitation on corporate funds)                          | (309)         | (310)         | (310)         | (310)         | (310)         | (+ 1)         |               |
| Grand total (net)  | 122,958,173   | 126,343,911   | 126,343,911   | 128,243,712   | 128,243,712   | + 5,285,539   | + 1,899,801   |
| Appropriations   | (120,514,173) | (118,576,911) | (118,576,911) | (119,418,712) | (119,418,712) | (- 1,095,461) | (+ 841,801)   |
| Rescissions  | (- 1,756,000) | (- 633,000)   | (- 633,000)   | (- 1,975,000) | (- 1,975,000) | (- 219,000)   | (- 1,342,000) |
| Advance appropriations, fiscal year 2003                 |               | (4,200,000)   | (4,200,000)   | (4,200,000)   | (4,200,000)   |               |               |
| Advance appropriations, fiscal year 2004                 |               | (4,200,000)   | (4,200,000)   | (4,200,000)   | (4,200,000)   |               |               |
| Contingent emergency funding                             |               | (4,200,000)   | (4,200,000)   | (4,200,000)   | (4,200,000)   |               |               |
| (By transfer)  | (30,848)      | (30,125)      | (30,125)      | 1,300,000     | 1,300,000     | + 1,300,000   | + 1,300,000   |
|  |               |               |               | (30,848)      | (30,848)      |               | (+ 723)       |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2003 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2004—Continued  
(In thousands of dollars)

| Item  | 2003 appropriation | Budget estimate | Committee recommendation | Senate Committee recommendation compared with (+ or -) |                 |
|---|--------------------|-----------------|--------------------------|--|-----------------|
|   |                    |                 |                          | 2003 appropriation                                     | Budget estimate |
| (Limitation on direct loans) .....                                | (1,653,929)        | (1,604,241)     | (1,604,241)              | (-49,688)  | .....           |
| (Limitation on guaranteed loans) .....                            | (388,511,955)      | (410,062,821)   | (410,511,955)            | (+22,000,000)  | (+449,134)      |
| (Limitation on corporate funds) .....                             | (579,943)          | (600,440)       | (600,440)                | (+20,497)  | .....           |
| TITLE I—Department of Veterans Affairs                            |                    |                 |                          |  |                 |
| Veterans Benefits Administration .....                            | 31,748,941         | 32,865,486      | 32,865,556               | +1,116,615   | +70             |
| Veterans Health Administration .....                              | 24,360,934         | 25,705,226      | 27,010,226               | +2,649,292   | +1,305,000      |
| Departmental administration .....                                 | 1,990,557          | 2,148,159       | 2,148,659                | +158,102   | +500            |
| Total, Title I—Department of Veterans Affairs .....               | 58,100,432         | 60,718,871      | 62,024,441               | +3,924,009   | +1,305,570      |
| TITLE II—Department of Housing and Urban Development              |                    |                 |                          |  |                 |
| Public and Indian housing .....                                   | 27,221,813         | 28,132,206      | 28,327,256               | +1,105,443   | +195,050        |
| Community and planning development .....                          | 8,485,804          | 8,571,000       | 8,568,325                | +82,521  | -2,675          |
| Housing programs .....  | 926,996            | 766,151         | 730,801                  | -196,195   | -35,350         |
| Federal Housing Administration .....                              | -2,211,968         | -2,359,300      | -2,359,300               | -147,332   | .....           |
| Government National Mortgage Association (GNMA) .....             | -347,724           | -307,305        | -307,305                 | +40,419  | .....           |
| Policy development and research .....                             | 46,695             | 51,000          | 47,000                   | +305   | -4,000          |
| Fair housing and equal opportunity activities .....               | 45,601             | 50,000          | 50,000                   | +4,399   | .....           |
| Office of lead hazard control .....                               | 174,856            | 136,000         | 175,000                  | +144   | +39,000         |
| Management and administration .....                               | 1,083,143          | 1,112,130       | 1,112,130                | +28,987  | .....           |
| Working capital fund .....  | 274,504            | 276,300         | 240,000                  | -34,504  | -36,300         |
| Office of Inspector General .....                                 | 97,017             | 100,080         | 102,000                  | +4,983   | +1,920          |
| Consolidated fee fund (rescission) .....                          | -8,000             | .....           | .....                    | +8,000   | .....           |
| Office of Federal Housing Enterprise Oversight .....              | -195               | .....           | .....                    | +195   | .....           |
| Total, Title II—Department of Housing and Urban Development ..... | 35,208,908         | 35,928,132      | 36,085,777               | +876,869   | +157,645        |



| TITLE III—Independent Agencies  |                    |                    |                    |                   |                   |
|---|--------------------|--------------------|--------------------|-------------------|-------------------|
| American Battle Monuments Commission .....  | 35,017             | 32,400             | 35,000             | -17               | +2,600            |
| Chemical Safety and Hazard Investigation Board .....  | 6,408              | 8,000              | 8,000              | +1,592            | .....             |
| Community development financial institutions fund (Department of Treasury) .....                                | 74,512             | 51,000             | 70,000             | -4,512            | +19,000           |
| Interagency Council on the Homeless .....   | .....              | .....              | .....              | .....             | .....             |
| Consumer Product Safety Commission .....  | 56,629             | 60,000             | 60,000             | +3,371            | .....             |
| Corporation for National and Community Service .....  | 384,172            | 597,850            | 484,075            | +99,903           | -113,775          |
| U.S. Court of Appeals for Veterans Claims .....   | 14,233             | 16,220             | 16,220             | +1,987            | .....             |
| Cemeterial expenses, Army .....   | 32,234             | 25,961             | 32,000             | -234              | +6,039            |
| HHS/(NIH)-Institute of Environmental Health Sciences) and (CDC-Toxic Substances and Disease Registry) .....     | 165,790            | 152,241            | 152,241            | -13,549           | .....             |
| Environmental Protection Agency .....   | 8,078,062          | 7,630,538          | 8,182,718          | +104,656          | +552,180          |
| EOP/Office of Science and Technology Policy, Council Environmental Qual, and Office of Environmental Qual ..... | 8,344              | 10,265             | 10,265             | +1,921            | .....             |
| Federal Deposit Insurance Corp .....  | 30,848             | 30,125             | 30,848             | .....             | +723              |
| GSA/Federal Consumer Information Center .....   | 11,466             | 17,643             | 14,000             | +2,534            | -3,643            |
| National Aeronautics and Space Administration .....   | 15,338,907         | 15,469,300         | 15,338,907         | .....             | -130,393          |
| National Credit Union Administration .....  | 993                | 1,000              | 1,500              | +507              | +500              |
| National Science Foundation .....   | 4,056,460          | 4,106,360          | 4,220,610          | +164,150          | +114,250          |
| Neighborhood Reinvestment Corporation .....   | 104,317            | 115,000            | 115,000            | +10,683           | .....             |
| Selective Service System .....  | 26,308             | 28,290             | 26,508             | .....             | -1,982            |
| <b>Total Title III—Independent Agencies .....</b>   | <b>29,648,833</b>  | <b>29,696,908</b>  | <b>30,133,494</b>  | <b>+484,661</b>   | <b>+436,586</b>   |
| <b>Grand Total .....</b>  | <b>122,958,173</b> | <b>126,343,911</b> | <b>128,243,712</b> | <b>+5,285,539</b> | <b>+1,899,801</b> |

<sup>1</sup> The fiscal year 2003 Act provided funds for these purposes under the Housing Certificate Fund account.  
<sup>2</sup> The fiscal year 2003 Act provided funds for these activities in the Housing for special populations account.

