

July 25, 2001  
(House Rules)

**H.R. 2620 - DEPARTMENT OF VETERANS AFFAIRS AND  
HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT  
AGENCIES APPROPRIATIONS BILL, FY 2002**  
(Reps. Young (R) Florida; Walsh (R) New York)

This Statement of Administration Policy provides the Administration's views on the Veterans, Housing and Urban Development, and Independent Agencies Appropriations Bill, FY 2002, as approved by the House Committee.

The Administration appreciates the Committee's efforts to fund programs at the President's request. In particular, the Administration commends the Committee for fully funding the President's request for the President's National Science Foundation Math and Science Partnerships initiative to strengthen elementary and secondary mathematics and science education. We especially appreciate the Committee's support of the Administration's efforts to consolidate duplicative programs by terminating the Department of Housing and Urban Development's Public Housing Drug Elimination Program and by ensuring that unobligated balances in the Public Housing Capital Fund are targeted to high-performing housing authorities. We are also pleased that the Committee expands opportunities for affordable homeownership by funding the Down Payment Assistance Initiative in HOME and the Federal Housing Administration (FHA) insurance of hybrid adjustable-rate mortgages and that the Committee provides the \$197 million requested for 34,000 incremental vouchers to aid additional low-income families.

The Committee's decision to support the President's initiative to improve the quality and timeliness of veterans' disability claims processing addresses an important aspect of assisting the men and women who have served in our Nation's armed services. The Administration also appreciates the Committee's support of Administration initiatives to improve State enforcement and environmental data collection activities.

The Administration supports passage of the bill and appreciates that the Committee has funded these agencies and programs within the levels agreed to under the budget resolution. We would like to take this opportunity to share some concerns with the Committee's version of the bill.

Housing and Urban Development (HUD)

The Administration is concerned that the Committee chose not to fund the President's Community Technology Centers and the Improving Access initiatives. These initiatives would address the education and training needs of low-income individuals and enhance the ability of individuals with disabilities to participate in civic and community organizations. The Administration urges the Congress to provide the funding requested for these initiatives. Further, the Administration strongly opposes the use of advance appropriations in the Housing Certificate Fund to avoid spending limitations. There is no programmatic justification for an advance appropriation in this account, and we urge the Committee to fully fund this program through FY 2002 appropriations.

### Veterans Affairs (VA)

While the Administration appreciates the Committee's support of improved benefits and services to our Nation's veterans, funding provided by the Committee currently exceeds the requested level. We look forward to working with Congress to fund mutual priorities within the 302(b) allocations. The Administration is concerned that the Committee did not include language to eliminate vendee loans. Elimination of support for this non-veteran program could provide up to \$227 million over 10 years for other VA priorities. In addition, we urge the Congress to reconsider inclusion of the requested language that would ensure sufficient funding for the payment of veterans entitlements by eliminating the annual need for mandatory supplemental requests.

### Environmental Protection Agency (EPA)

The Administration is disappointed that the Committee has not funded the newly-authorized sewer overflow control grant program that would address the nation's largest remaining municipal wastewater problem. The Administration urges the House to restore funding for this program by eliminating the \$200 million earmarked for an unauthorized, poorly-targeted water infrastructure grant program. The Administration also urges deletion of legislative provisions in the Committee version of the bill that block two pesticide user fees, which would provide \$60 million in outlay offsets to restore Presidential priorities.

### Federal Emergency Management Agency (FEMA)

The Administration appreciates Congress' attentiveness to the needs of FEMA, and the intent of the \$1.3 billion contingent emergency appropriation added for FEMA's disaster relief program in Committee. The Administration is also pleased that the House, unlike the Senate, has funded the base appropriation for FEMA at the President's request of \$1.369 billion. The Administration is not, however, prepared to commit to a specific level of contingent emergency appropriations at this time. The Administration is also seriously concerned with the manner in which the Senate version of the bill uses the emergency designation to provide more resources for FEMA above the Committee's allocation.

Given the uncertain costs of responding to emergencies and natural disasters, the Administration's budget plan for FY 2002 was meant to accomplish three important objectives: (1) provide a reasonably adequate base of funding for FEMA; (2) plan for additional unforeseen emergencies and natural disasters in a comprehensive manner; and, (3) adhere to budget discipline. The Administration is disappointed that Congress did not agree to establish a National Emergency Reserve as part of the FY 2002 budget resolution. The Administration continues to believe that the annual budget should anticipate some level of emergency response to natural disasters. Such a reserve would be useful in stemming abuses of the emergency designation provisions of the Budget Enforcement Act (BEA).

In the absence of such a reserve, the Administration will only allocate spending contained in appropriations bills, designated as an emergency, if the requirement is a necessary expenditure that is sudden, urgent, unforeseen, and not permanent. The Administration will also recommend the use of an emergency designation only to the extent that adequate base funding for a normal year has been provided for the applicable program. The classification of particular spending as an emergency requirement depends on common sense judgment, made on a case-by-case basis, about whether the needs can be absorbed within the existing

level of resources available.

In sum, the Administration will only consider contingent emergency funding if that funding meets the definition of an emergency and is for a program for which adequate base funding has already been provided. The House bill has met both of these requirements. In contrast, the Senate has not funded the base disaster relief program before providing emergency funding.

While the Administration cannot support a specific level of contingent emergency appropriations at this time, the Administration would support the use of a contingent emergency designation for the reasons noted above. The Office of Management and Budget will continue to work closely with FEMA to determine the actual level of need required to meet all of the FY 2002 obligations before the bill reaches the President's desk. Based on this assessment, the Administration would submit a formal recommendation for additional funding to Congress as may be required.

#### National Aeronautics and Space Administration (NASA)

The Administration appreciates the Committee's efforts to fully fund the President's request in many priority areas within NASA. Funding in the Committee bill currently exceeds the requested level for the International Space Station (ISS), and is contingent on providing a comprehensive plan to the Appropriations Committee. The Administration does not believe that additional funding is necessary based on the current management plan. Should the House pursue this course, the Administration will make any additional funding contingent on certification by the Office of Management and Budget that cost growth in the ISS has been contained based on the assessment of an external review team. The required comprehensive plan will include measures that will contain future cost growth in this program. We look forward to working with the House to address mutual concerns, including improving management of the Station, and ensuring better cost controls and quality research.

#### Earmarked Funds

The Administration commends the House Committee for limiting the level of earmarks in HUD and VA. However, we are concerned about the level of earmarks for EPA, NASA and the National Science Foundation (NSF). The Administration is concerned that the Committee has chosen to fund five lower priority, unrequested projects within NSF for a total of \$62 million. The Administration also has serious concerns with the over \$150 million in earmarks in the Committee bill that would displace higher-priority, merit- and peer-reviewed, science and technology programs in NASA's Space Science, Earth Science, and Aerospace Technology Enterprises. For example, the Administration places higher priority on astronomical and climate change research than on the earmarks for museums, planetariums, and corporate jets.

#### Infringement on Executive Authority

The Administration objects to a number of provisions in the bill that would require Committee approval before Executive Branch execution. The Administration will interpret these provisions to require only notification of Congress, since any other interpretation would contradict the Supreme Court ruling in INS v. Chadha.

[Ed. Note: Copied from <http://www.whitehouse.gov/omb/legislative/sap/107-1/HR2620-r.html> and converted to PDF without change on August 13, 2006]