

No. 21

September 18, 2001

S. 1398/H.R. 2590 — Treasury and General Government Appropriation Bill, FY 2002

Calendar No. 146

Reported as an original bill from the Senate Appropriations Committee on September 4, 2001, by a 29-0 vote. S. Rept. 107-57.

NOTEWORTHY

- Pursuant to a unanimous consent agreement, on Wednesday, September 19, 2001, the Senate Appropriations Committee will be discharged from consideration of H.R. 2590, the Treasury Postal Appropriations bill, and the Senate then will proceed to its consideration. [This Notice addresses S. 1398 as it was reported by the Senate Appropriations Committee.]
- S. 1398 provides \$32.36 billion in new budget authority for the Department of the Treasury, the U.S. Postal Service, the Executive Office of the President, and various independent agencies for FY 2002, including \$17.12 billion in discretionary funding. The total amount is \$1.79 billion above the FY 2001 enacted amount, and \$328 million above the budget request. [See attached chart.]
- The Customs Service receives the largest increase in funding from the FY01 bill, in part for a \$25 million initiative to increase the U.S. Customs presence along the U.S.-Canadian border, and for an additional \$100 million above the budget request for computer modernization.
- The bill provides \$44.9 million for the Treasury Department's Counterrorism Fund, designed to fund unanticipated costs; this is equal to the request, but \$10 million below the FY01 level.
- The bill includes a 4.6-percent pay adjustment for federal civilian employees. It does not block the cost-of-living pay increase for Members of Congress.
- S. 1398 is silent on the issue of abortion coverage in federal employees' healthcare plans (FEHBP); the House bill (Section 509) retains a previous-years' provision prohibiting federal funds for abortions in FEHB plans, with exceptions for life of the mother, rape, and incest (Section 510). As has been the practice since 1988, S. 1398 includes a provision to require FEHBP participants to include contraception drugs if they offer prescription drug coverage.

- The House passed H.R. 2590 on July 25 by a vote of 334-94; it prohibits funds to enforce restrictions on travel to Cuba by Americans. The Senate bill does not address this issue, but an amendment may be offered.

— BILL PROVISIONS —

Title I, Department of the Treasury

- **Total Title I Funding:** The bill provides \$14.91 billion for Title I, including the Bureau of Alcohol, Tobacco and Firearms, the Internal Revenue Service, the U.S. Customs Service, and the Secret Service. Of this, \$187.3 million is for office salaries and expenses; \$69 million is for the acquisition of automatic data processing equipment; \$44.9 million is for unanticipated costs associated with fighting terrorism; and \$35 million is for the Treasury Department's Office of the Inspector General, with \$1 million for monthly investigations of the IRS by the Inspector General to ensure that taxpayers are provided with accurate information when they ask the IRS for assistance.
- **Bureau of Alcohol, Tobacco and Firearms (BATF):** The bill provides \$821.4 million for the Bureau of Alcohol, Tobacco and Firearms including money for the purchase of 800 policing vehicles. The amount is \$50.3 million over the FY01 level, and \$17.9 million above the request. Of this, \$6.4 million is for non-pay inflation, including \$2 million for the National Integrated Ballistic Information Network system, and \$5 million above the request for the Integrated Violence Reduction Strategy. Also, the Committee provides \$16 million for grants to local law enforcement organization for the Gang Resistance Education and Training (GREAT) Program.
- **Customs Service:** Also provided is \$2.56 billion for the Customs Service, including money for the purchase and lease of 1,050 policing vehicles and \$358 million for an automated system. The Committee provides \$2.02 billion for salaries and expenses (\$143.9 million above the FY01 amount and \$60.7 million above the budget request), which includes \$20.2 million for non-pay inflation. Also, the Committee provides \$25 million to increase the number of Customs officials along the U.S./Canadian border by some 285 persons (as justification, the Committee Report recalls the December 1999 apprehension of a likely terrorist at the Canadian border entering Blaine, Washington [note: the committee report was filed on September 4]). Further, the bill provides \$5 million for investigative efforts of the Intellectual Property Rights Center, and \$5 million for enforcement of child labor laws. The Committee provides \$358 million for the Automated Commercial System, including \$230 million to continue work on the Automated Commercial Environment (an amount which is \$100 million above the request). Also, funds are included for the customs integrity awareness program, and combating child pornography.

Of the total amount for Customs, \$172.6 million is appropriated for operation, maintenance, and procurement of the Customs Air and Marine Interdiction Program to combat the illegal entry of narcotics and other goods into the United States; of this, \$4.2 million is for electro-optical infrared sensors, and \$7 million is for the Customs National Aviation Center (the total amount is \$39.7 million over last year and \$10 million above the request).

- **Bureau of the Public Debt:** An appropriation of \$187.3 million (\$4.6 million over last year) is provided for the conduct of all public debt operations and the promotion of the sale of U.S. savings-type securities.
- **Internal Revenue Service:** The IRS is funded at \$9.45 billion – this represents a 7-percent increase over last year (and is \$28 million more than the budget request) for the purposes of modernizing the agency’s computer system. Included in this total is \$3.79 billion for processing, tax assistance, and management (\$143.2 million over last year); \$3.54 billion for tax law enforcement (\$168.8 million over last year); and \$1.56 billion for information systems (\$40.8 million over last year). In addition, the Committee appropriates \$419.6 million for business systems modernization (previously called information technology investments) to provide for revamping business practices and acquiring new technology (this is a nearly six-fold increase of the \$71.6 million appropriated in FY01, and is \$23 million above the request).
- IRS legislative provisions include the following:
 - requiring the agency to safeguard the confidentiality of taxpayer information; and
 - directing the agency to make funds available for improved facilities and increased manpower to provide effective 1-800 telephone assistance for taxpayers.
- **U.S. Secret Service:** The bill provides \$903 million for the Secret Service, \$42.5 million more than the budget request. The Committee appropriates \$899.6 million for salaries and expenses, an increase of \$74.7 million over last year and \$42.5 million above the budget request. The Committee includes \$32.9 million for the final year of the workforce retention and workload balancing initiative and \$4.2 million for operation costs of the missing and exploited child unit.

Title II, U.S. Postal Service

- **Payments to the Postal Service Fund:** The bill provides \$76.6 million for payment to the Postal Service Fund, of which \$56.3 million is for providing free mail to the blind and overseas voters. Additionally, the FY01 bill provides \$67.1 million in FY02 advance appropriations. The Committee continues language to require that six-day delivery and rural delivery of mail continue at not less than the 1983 level, and that none of the funds shall be used to consolidate or close small post offices.

Title III, Executive Office of the President; Funds Appropriated to the President

- **Total Funding for Title III:** A total of \$755.5 million is provided for the 17 accounts funded under this title (\$55.3 million above last year and \$23.8 million above the budget request). This funding includes \$450,000 for the President’s annual salary, and \$54.2 million for additional salaries and expenses in the Executive Office. Other accounts provided for (and not further discussed below) include: \$70.5 million for the Office of Management and Budget; \$46.0 million for the Office of Administration; and \$11.9 million for operating expenses of the Executive Residence.

- **Office of National Drug Control Policy:** The Committee includes \$25.1 million for salaries and expenses of the Office of National Drug Control Policy and \$42 million for the Counterdrug Technology Assessment Center. The Committee fully supports the counterdrug technology transfer program to state and local law enforcement and provides \$22 million to continue this program.
- **Federal Drug Control Programs:**
 - **HIDTA's:** The Committee provides \$226.4 million (\$20.3 million above the request) for High-Intensity Drug Trafficking Areas (HIDTA's), and it directs that funding shall be provided for the existing HIDTA's at not less than the FY01 level. Further, the Committee instructs the Director to obligate the funds within 120 days of enactment of this Act.
 - **Special Forfeiture Fund:** An amount of \$249.4 million is provided, an increase of \$16.3 million above last year. This fund was established by the Anti-Drug Abuse Act of 1988, to be administered by the Director of the Office of National Drug Control Policy. The Committee provides \$185 million for continuation of the National Youth Anti-Drug Media Campaign, and expects \$5 million of this to be spent on purchasing advertising time specifically targeted at combating the drug Ecstasy. To date, Congress has provided \$748 million for this national media campaign. Under this fund, \$4.8 million is provided for anti-doping efforts of the U.S. Olympic Committee and \$5 million for a drug testing and intervention program. An amount of \$50.6 million is provided for matching grants to drug-free communities, and \$1 million for the National Drug Court Institute.

Title IV, Independent Agencies

- **General Services Administration:** The Committee recommends new obligational authority of \$844.9 million for repairs and alterations, and \$477.5 million for construction and acquisition of facilities (\$91.3 million above the request). Also, the Committee recommends a limitation of \$2.96 billion for rental space and a limitation of \$1.75 billion for building operations. The Committee agrees with the Administration's request to create a new electronic government (e-gov) fund and provides \$5 million to remain available through FY04 to allow the Administration to begin this effort to provide simpler and more timely public access to federal information (Administration has requested \$20 million).
- **Office of Personnel Management:** The Committee provides \$99.0 million for salaries and expenses, which is the same as the request.
- Funding for other independent agencies:
 - \$285.2 million for the **National Archives and Records Administration**, including \$20 million for the archiving of electronic records and \$30.5 million for the construction of a Southeast Regional Archives in Clayton County, Georgia.;
 - \$44.0 million for the **Federal Election Commission** (\$3.6 million above last year), including \$2 million as seed money for a program matching grants to state and local governments to improve election systems; and

— \$26.4 million for the **Federal Labor Relations Authority** (\$1.4 million above last year).

Key Provisions

The Committee added the following new provisions:

- **Section 635:** Extends the authorization for franchise fund pilots for one year.
- **Section 636:** Allows the Secretary of the Navy to accept gifts of consumable items, or funds for them, for use at official functions at the Vice President’s official residence.
- **Section 637:** Clarifies that title 5 authorities are available to civilian personnel within the Executive Office of the President.
- **Section 638:** Clarifies that the Department of the Navy will provide and pay for utilities for the official residence of the Vice President without reimbursement.
- **Section 639:** Clarifies that the United States Anti-Doping Agency is the official anti-doping agency for Olympic, Pan American, and Paralympic sports in the United States.
- **Section 640:** Clarifies the status of certain employees of the U.S.-China Security Review Commission.
- **Section 641:** Adds language regarding federal employee pay adjustments to require an increase of 4.6 percent.
- **Section 642:** Directs departments and agencies to comply with the Rural Development Act (RDA) of 1972. The Committee is aware that General Accounting Office (GAO) reports continue to show that most executive branch departments and agencies do not have policies and procedures required by the RDA. As a result, the Committee directs those departments and agencies to comply with the RDA requirements within six months of enactment of this bill.

In addition, the bill contains a number of general provisions that have been carried in the bill in prior years.

— COST —

According to the Committee Report, the bill as reported provides \$17.118 billion in budget authority for discretionary spending, and \$15.690 billion in mandatory spending. Because the Committee’s allocation for discretionary spending is \$16.972 billion, the Committee Report says that it anticipates that the Budget Committee will file a revised section 302(a) allocation for the Appropriations Committee reflecting an upward adjustment of \$146 million in budget authority.

The following amounts are projected in outlays: FY02: \$27.86 billion; FY03: \$2.86 billion; FY04: \$736 million; FY05: \$323 million; and FY06: \$183 million.

— **ADMINISTRATION POSITION** —

At press time, no Statement of Administration Policy on the bill as reported to the Senate was available.

— **POSSIBLE AMENDMENTS** —

No definite information was known at press time.

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[Chart attached]

**Department of the Treasury and General
Government Appropriations, FY 2002**

(Dollars in thousands; selected items only)

Item	2001 Appropriation	Budget Estimate	Committee Recommendation
Title I, Department of the Treasury			
Departmental Offices	222,337	181,768	187,322
Systems and Capital Investment	62,150	70,828	69,028
Treasury IG	32,827	35,150	35,150
Treasury IG for Tax Administration	118,166	122,342	123,799
Treasury Buildings Repair/Restoration	30,932	32,932	32,932
Expanded Access to Financial Services	9,978		
Fin CEN	37,493	45,155	45,702
Counterterrorism Fund	54,879	44,879	44,879
FLETC S&E	99,264	100,707	106,317
FLETC ACI&RE	54,086	21,895	33,434
Interagency Law Enforcement: ICDE	103,248	106,487	106,965
Financial Management Service	255,972	211,594	212,316
ATF	771,143	803,521	821,421
Customs S&E	1,878,557	1,961,764	2,022,453
Customs Air/Marine	132,934	162,637	172,637

Customs Automation Modernization	257,831	257,832	357,832
Harbor Maintenance Fee Collection	2,993	2,993	3,000
Bureau of Public Debt	182,699	185,370	187,318
Payment of Gov't Losses in Shipment	1,000	1,000	1,000
IRS/PAM	3,643,166	3,783,347	3,786,347
IRS/TLE	3,366,380	3,533,198	3,535,198
IRS/EITC	144,681	146,000	146,000
IRS/IS	1,522,416	1,563,249	1,563,249
IRS/Business Systems Modernization	71,593	396,593	419,593
Secret Service S&E	824,885	857,117	899,615
Secret Service ACI&RE	8,921	3,352	3,352
TOTAL TITLE I	14,038,199	14,631,710	14,908,859
Title II, Postal Service			
Postal Service Funds	28,936	76,619	76,619
Postal Service Advance Appropriation	66,952	67,093	67,093
TOTAL TITLE II	95,888	143,712	143,712
Title III, Executive Office of the President and Funds Appropriated to the President			
Compensation of the President	390	450	450
White House Office S&E	53,171	54,165	54,165
Executive Residence OE	10,876	11,914	11,914

WH Repair/Restoration	966	8,625	8,625
Special Assistance to the President/Official Residence of the Vice President	4,018	4,210	4,210
Council of Economic Advisors	4,101	4,192	4,192
Office of Policy Development	4,023	4,119	4,119
National Security Council	7,149	7,447	7,447
Office of Administration	43,641	46,032	46,032
Office of Management and Budget	68,635	70,521	70,519
ONDCP S&E	24,705	25,100	25,096
ONDCP CTAC	35,974	40,000	42,000
Federal Drug Program: HIDTA	206,046	206,350	226,350
Federal Drug Program: Special Forfeiture Fund	233,086	247,600	249,400
Unanticipated Needs	998	1,000	1,000
TOTAL TITLE III	700,273	731,725	755,519
Title IV, Independent Agencies			
CPPBSD (Blind and severely disabled)	4,149	4,498	4,498
Federal Election Commission	40,411	41,411	43,933
Federal Labor Relations Authority	25,003	26,378	26,378
GSA/Construction	(477,676)	(386,289)	(477,544)
GSA/Repairs and Alterations	(681,613)	(826,676)	(844,880)
GSA/Installment Payments	(185,369)	(186,427)	(186,427)
GSA/Rental of Space	(2,943,854)	(2,959,550)	(2,959,550)

GSA/Building Operations	(1,624,771)	(1,748,949)	(1,748,949)
GSA/IG	34,444	36,025	36,025
GSA/Electronic Government		20,000	5,000
GSA/Allowances for Former Presidents	2,511	3,552	3,376
Merit Systems Protection Board S&E	29,372	30,375	30,375
Udall Scholarship	1,996	1,746	1,996
Udall Environmental Dispute Resolution	1,248	1,309	1,309
National Archives Operating Expenses	208,946	244,247	244,247
National Archives Repairs/Restoration	101,536	10,643	41,143
NHPRC	6,436	4,436	6,436
Office of Government Ethics	9,663	10,060	10,060
Office of Personnel Management	14,608,948	15,633,378	15,633,378
OPM IG	1,357	1,398	1,398
Office of Special Counsel	11,122	11,784	11,784
United States Tax Court	37,223	37,305	37,305
TOTAL TITLE IV	15,740,361	16,528,204	16,555,360
GRAND TOTAL	30,574,721	32,035,351	32,363,450
Rescissions			(-8,000)
Advance Appropriations, Fiscal Year 2002/Fiscal Year 2003	66,952	67,093	67,093

